US airlines: giants recapture command, Page 18

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D 8523 B

(200

Sterling

against

**D-Mark** 

firmer

German currency

ling's exchange rate would be ex-pected to cause less anxiety to the UK authorities.

UK authorities.

An exchange rate of DM 3 to the pound has relatively little significance to chart-based dealing programmes, traders said yesterday, but its psychological significance had been expected to present more of a barrier. Once DM 3 had been belong the program of the

ceiling to the pound's new trading

range.
Sterling moved as low as DM
2,9875 but closed in London at DM

2.9925, a loss of 3% prennigs on the day. The Bank of England's trade-

weighted exchange rate index end-ed at 70.3, a whisker above its low-

est ever level of 70.0, reached in

declines =

# Pakistan religious

World news

irah)

### riots leave more steel 8 dead quotas Religious rioting in Pakistan claimed eight dead and more than

100 injured. An indefinite curiew was imposed in Labore, the country's second largest city, as well as in the central city of Liah. The ar-my troops patrolling Lahore had or-ders to shoot on sight anyone violat-ing the curfew, a Government state-

The clashes began on Tuesday during a religious day observed by the Shia Moslems, who comprise less than 10 per cent of the coun-

#### Dockers strike

French dockers started a 48-hour strike in protest against Govern-ment economic policies which have led to redundancies, a union

#### Prison revolt

Prisoners seized 14 hostages in a jail near Brasilia hours after at least 12 inmates died in another jail where police crushed a revolt, police said.

Support for Unifil Thousands of people, mostly Shia Moslems, marched through the south Lebanese port city of Tyre in support of belanguared UN peace-keeping troops.

#### **Greek protest**

Greece lodged a strong protest with Turkey after claiming that Turkish warships on exercises in the Ae-gean Sea fired twice on a Greek pa-trol boat, officials said.

#### Soweto murder

Wellington Sebolai, aged 22, was burned to death by a crowd outside his home in the black township of Soweto, the South African Govern-ment said.

#### **Productivity drive**

Australian Prime Minister Boh Hawke announced a major attack on restrictive work practices and the relaxation of export controls over a range of resources such as ternational competitiveness of the fell 0.6 to 70.3. Page 37

#### Swiss clampdown

The Swiss Government agreed to settlement was \$418.80. Page 37

Rebels attack base Tribal rebels seeking autonomy for part of southern Bangladesh have attacked an army camp in their first big operation in nearly three months, officials said.

### Supertanker ablaze

Oil-laden Kuwaiti supertanker Al-Funtas was ablaze off Saudi Arabia after being shelled by an Iranian gunboat. Iran said it had detained four Panamanian ships suspected of carrying cargo for Iraq.

#### Kennedy victory

### Jewish emigration

Eighty-eight Soviet Jews were permitted to leave for the West last month, the highest figure registered this year, data from the intergovernmental committee for migration showed.

Karpov hits back Challenger Anatoly Karpov won game 17 of the world chess championship when holder Garry Kaspa-cern, is to close its textile machinrov resigned. Kasparov leads

# EEC to scrap

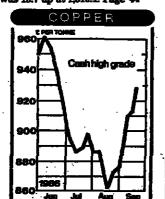
Business summary

STEEL: European Commission is to press ahead with plans to liberalise the steel market in the EEC next year despite continuing depres demand. Page 20

WALL STREET: The Dow Jones in-dustrial average closed 9.14 down at 1,769.40. Page 44

TOKYO: A sharp morning rally was reversed towards the close amid concern about the market outlook. The Nikkei average closed 126.57 lower at 17,336.62. Page 44

LONDON ended the day higher in a less volatile session as Wall Street's influence became less noticeable than on recent occasions. The FT Ordinary share index added 13 to close at 1.275.2 and the FT-SE 100 was 13.7 up at 1,610.4. Page 44



COPPER rose sharply on the London Metal Exchange, reflecting don Metal Exchange, reflecting strength in New York. The market was also bolstered by a fall in ster-ling against the dollar. Cash grade A metal closed £13.75 up at £929 per tonne, its highest level since June.

DOLLAR ended in New York at DM: 2.0240, SFr 1.6375, FFr 6.6295 and 2022, SF 10313, FF 0.025 and 20275 (DM 2.0490); FF 6.6450 (FFr 6.7190); SFr 1.6395 (SFr 1.6565), and Y154.75 (Y156.30). On Bank of Eng-land figures the dollar's index fell to 110.2 from 110.8 Page 37

STERLING ended in New York at \$1,4750. It fell in Loudon to \$1,4755 (\$1,4760); DM 2,9925 (DM 3,0250); FFr 9.8050 (FFr 9.9050); SFr 2.4200 (SFr 2.4450), and Y228.50 (Y230.75). GOLD fell \$0.875 to \$413.625 on the

London bullion market, It also fell in Zurich to \$412.875 from \$414.625. In New York the December Comex

clamp down on illegal workers from abroad and announced tighter restictions on sales of holiday homes to foreigners.

KIJWAIT has taken a substantial minority stake in Spain's third largest paper manufacturer through a Dutch intermediatary. Page 21 WEST GERMANY is likely to aban-

don its opposition to private use of the European currency unit. Page 2 WOOLWORTH HOLDINGS, British retailing group which recently fought off a £1.8bn (\$2.5bn) take over bid, nearly doubled pre-tax profits in the six months to August 31. Page 26; Lex, Page 29

MEXICO has taken a further step towards resolving its international debt problems with an agreement by Western government creditors to reschedule \$1.5bn of the country's public-sector loan payments due over the next 18 months. Page 4

ERICSSON Information Systems, part of the Swedish telecommunica-Joseph Kennedy II, 33, nephew of the late US President John F. Kennedy, won an overwhelming victory in a congressional primary election in the eastern state of Massachussetts. Page 4 state of Sassachussetts.

tems. Page 21 MOET-HENNESSY, French champagne and cognac group, reported an 11 per cent rise in first-half pre-tax earnings this year to FFr 615m (\$23m) compared with the year ago

period. Page 22 BANQUE Nationale de Paris, largest nationalised French bank, announced a 41 per cent increase in first-half consolidated profits to FFr 1.41bm (\$210m). Page 22

ery division in Arbon with a loss of 700 jobs. Page 22

# Chirac calls crisis meeting after new Paris bomb kills 4

BY DAVID HOUSEGO AND PAUL BETTS IN PARIS

MR JACQUES Chirac, the French Prime Minister, last night called a crisis meeting of his inner security council after a bomb killed four people and injured more than 60 in a crowded Paris shopping district. The bomb exploded outside the

Tati clothing store in Montagrasse at peak shopping time, shortly be-fore 5.30 pm. Conflicting accounts emerged last night over whether it was thrown from a passing car or planted in a dustbin on the pave-ment outside the shop, which is popular with Arab immigrants.

The explosion was the sixth and worst terrorist violence to hit the French capital within a fortnight. The succession of bombs underlines the Government's apparent inabili-ty to halt the terrorist wave which has killed nine people and injured more than 200 so far this year. Police yesterday found an arms

cache containing 40kg of explosives, 10 grenades, 80 detonators and a roll of fuse wire. The Interior Ministry refused to give any additional details of the discovery, the first since the terrorist campaign began. Although there is a growing pub-lic mood of solidarity against the terrorists, the almost daily toll of vience is straining nerves in Paris

effect of the crisis has been to put Mr Chirac in the front line. President François Mitterrand is on a state visit to Indonesia. But Mr Chirac's increased authority also leaves him liable to carry the blame if the police and security forces are slow to stop the violence. Last night's crisis meeting was the sec-ond in four days.

Mr Mitterrand broke his silence on recent events yesterday when he called from Jakarta on the French to stand firm but to go on leading The latest bomb came a day after the Government announced a FFr

1m (\$150,000) reward for chies that could lead to the terrorists' arrests. At the same time, 200,000 posters of the brothers of Mr Georges Ibrahim Abdallah - the suspected leader of the Lebanese Armed Revolutionary Faction – were posted on walls around France as prime suspects.

In a seemingly severe setback for the police, the two brothers were reported last night to have given a press conference in the Lebanese city of Tripoli, where they claimed that they had not been in France for two years.

Security was yesterday stepped up around the Elysée Palace and key ministries after threats from terrorists of further attacks In political terms, the immediate

called "solidarity committee for Arab political prisoners" which has so far claimed responsibility for the at-tacks threatened in a statement from Beirut to bomb the presidential palace and to escalate the

The main demand of the terror ists is the release of Mr Abdallah, who has been imprisoned in France since 1984. Insistent government declarations to refuse his release have now been reinforced by a de-mand for his extradition to Italy which would require further judicial proceedings in France.

Despite the tightening up of se-curity measures, the French police seem so far to have made little headway in tracking down the ter-rorists. They claimed yesterday, however, that their offered reward for information had helped lead to the discovery of an arms hideout.

Anxiety over terrorism has for the moment pushed other political quarrels aside. But beneath the surface, the right blames the Socialists for lax security precautions before the March election.

tion of sterling in response to exter-nal factors, especially the decline in oil prices and its effects on the The Socialists are watching to see whether Mr Chirac will make a slip in handling the crisis and are nercountry's balance of payments.

The reluctance of the West Gercould exacerbate authoritar man central bank to lower its interest rates is also viewed as an exter-nal factor, so a resulting fall in ster-

Continued on Page 20

### South African miners to step up safety demands

THE DEATH TOLL in South Afri- en before reopening, but he deca's worst gold mining disaster in 100 years rose to 177 last night, with five black miners still unaccounted for and 237 injured men in local Witwatersrand mining hospitals.

The disaster, which resulted from Monday's undergonered five of the

that the country's black National price. Union of Mineworkers (NUM) will step up its campaign for higher safety standards and more generous compensation payments for spection tour of the gallery 1,600m the families of dead or injured min-

made an after-tax profit of R69m

(\$30m) said the number two shaft two survivors of the original fire, would be closed for at least a week, Mr Ramaphosa tentatively enout of total mine milling rate of court of total mine milling rate of court that the fire started when a 180 000 tone last year Cartein and court that the fire started when a

clined to give details. Kinross shares fell sharply to R59 th taxa gave off clouds of toxic gas.

en the Johannesburg Stock Ex-change at yesterday's opening from 64.50 on Monday's closing, but rallied to close little changed at R64 in Monday's underground fire at the an otherwise buoyant gold sector, Gencor group's Kinross mine at which saw the JSE gold index rise Evander, 180 km east of Johannes to its fifth consecutive record high at 1,960 despite an easier bullion Mr Cyril Ramaphosa, general

secretary of the NUM, emerged from a three-hour underground iners. out to tell journalists gathered
Mr Kobus Clivier, general manaround the mining complex enager of Kinross, which produced trance that "we believe the accident
14.76 tons of gold last year and could have been avoided."

180,000 tons last year. Certain "adges cylinder being used to weld a ditional precautions" would be tak-

plastic form sheeting and cables coated with flammable PVC, which

more precautions should have been taken when welding underground and noted the absence of a fire extinguisher nearby, which he said was "highly irregular in the inflam-mable environment of a mine." He fied with the type of materials used underground, particularly the use of PVC and rubber-coated cables and the form used to line the tunnel

The union executive will meet today to decide its course of action. This could include a short work stoppage in honour of the dead similar to the 30 minute stoppage which followed the Hiobane col disaster in 1983, when 68 men died,

Analysis, Page 3; Tale of death and deception, Page 20

terday after the sharp falls of the past week, but bond prices contin-ued to slide. In London, longer dat-

ned to same. In Locatin, songer day-ed gilt-edged government securities lost up to ½ point. In early trading in New York the US Treasury long bond had lost ½ point to yield 7.84 IMF annual report, Page 20; Money markets, Page 37

# US expels 25 Soviet officials on eve of talks

By Stewart Fleming in Washington

By George Graham in London A STRENGTHENING D-Mark yesterday pushed the dollar lower in foreign exchange markets and knocked the pound below an ex-change rate of DM 3 for the first

vardnadze, the Soviet Foreign Min- not a spy. ister, who is to hold talks beginning Washington insists that the So-tomorrow with Mr George Shultz, viet mission in New York is a nest resources back into their own currency after Mr Karl Otto Pöhl, pres-ident of the Bundesbank, said in an US Secretary of State.
It also came as the Reagan Ad-

interview with the Financial Times that he intended to stand firm against US pressure for an early cut in West Germany's interest rates. The rise of the D-Mark put inspying charges. talks and The State Department denied still intact

creasing pressure on other curren-cies in the exchange rate mechan-ism (ERM) of the European Monetary System. Dealers said the French central bank had intervened in the market to sell D Marks and the Danish krone, the weakest currency in the ERM, closed in London below its lowest permitted level against the West

In London there were also some reports that the authorities had intervened in support of sterling, but the Bank of England would not conthreatens to broaden the confrontafirm this.
The UK authorities have been willing to tolerate some deprecia

of Mr Daniloff and is determined land-based missiles which are the not to accept a straight swap of Mr core of its nuclear defences.

THE US vesterday demanded that Daniloff for the alleged Soviet spy, 25 Soviet officials at the United Na- Mr Gennadi Zakharov, who is being tions in New York leave the country held in the custody of Mr Yuri Dr Washington's decision to name US. President Ronald Reagan has the officials coincided with the ar-rival in the US of Mr Eduard She-Soviet leader, that Mr Daniloff is

of spies. Even as the tougher line on the ministration faced mounting pres-sure from conservatives to take a ever, the Administration let it be tougher line with the Soviet Union known that its avowed policy of not over the arrest in Moscow of Mr Ni-allowing President Reagan to be cholas Daniloff, a US journalist, on spying charges.

The State Department denied that yesterday's move was linked to efforts to free Mr Daniloff. It was part of a long-planned forced reduction of Soviet UN staff. The Reagan Administration announced in March that Moscow would be required to reduce its UN staff from 275 to 170 over a two-year period.

The naming of the Soviet UN employees and demand for their event. playees and demand for their exoulever, was firmly denied yesterday sion by October 1 nevertheless by the US delegation in Stockholm. There were also reports that tion with Moscow over the Daniloff when arms control talks resume in case. Soviet UN officials last week Geneva today, US officials might Geneva today, US officials might described as illegal the US demand seek to move closer to the Soviet that Moscow reduce the size of its UN mission.

Seek to move closer to the Soviet position by modifying its proposed UN mission.

30 per cent reduction in long-range Yesterday's move was seen as a nuclear weapons in a way which clear signal that Washington is pre-pared to retaliste against the arrest retain a larger number of the heavy

### Ford close to deal with Alfa Romeo

BY ALAN FRIEDMAN IN MILAN AND JOHN GRIFFITHS IN LONDON

three years. The US group would pay \$90m for an initial 20 per cent shareholding, under an expected would be in line with the plan to agreement with IRI-Finmeccanica, "return Alfa to financial health." Mr the state holding company which Tramontana said Alfa's 1986 loss controls Alfa. Details were leaked would be L220bn (\$156m), around

February 1985. Stock markets made a modest recovery in Europe and America yes-Ford would also agree to finance, in edged that there had been a "meet proportion to its shareholding, its ing of minds' between the negotia part of \$2.6bn of investments in Altors, but it stressed that no formal fa over the next seven to eight offer had been made, and was unyears. Ford and Finmeccanica have likely to be made, until next week both said this week that they were at the earliest. close to an accord.

Fiat, however, jumped back into the ring yesterday, declaring that it would soon disclose new proposals

FORD appears set to take majority for Alfa "which will interest all of control of Alfa Romeo, the loss-making Italian car maker, within Mr Giuseppe Tramontana, Alfa

half of last year's level.

The move to 51 per cent control In London, Ford took a more cir-While Ford would not comment

formally on the financial details of the purported agreement disclosed

Continued on Page 20

### NatWest to sell shares in US

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON NATIONAL Westminster Bank, the 3 per cent of its outstanding stock.

UK's largest clearing bank, is to apply for a stock listing on the New can Depositary Receipts, the form pressing need for new capital. However, it has been advised by its US it with an issue of new shares that traded on the US market. At Morning 1919 (1919) for US.

### Two year performance to 1st September.

The most recent Oppenheimer fund launch was in September 1984 so we are now able to show the two year performance for all of our ten funds.

increase in value	total number in sector
+189.2	1st22
+118.4	6th104
+117.6	2nd35
+95.8	21st37
+88.8	6th83
+86.1	7th83
+82.7	6th81
+55.3	7th15
+52.2	3rd5
+25.0	39th76
	in value +189.2 +118.4 +117.6 +95.8 +88.8 +86.1 +82.7 +55.3 +52.2

Six of our funds were in the top quarter of their respective sectors. For further details telephone 01-489 1079, or write to Oppenheimer Fund Management, 66 Cannon St.,

London EC4N 6AE.

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#### Companies ..... 21, 22 America.....4 Companies ..... 21, 22 Fin Overseas ...... 3 Companies ......24 Int. Capital Machine. Britain ..... 6-9 Money Markets ..... 37

US airlines: giants rule the Bank of America: bad news 

York Stock Exchange, and support in which foreign shares are usually traded on the US market. At Montanies £121m (\$178m) from US investors.

NatWest said yesterday that the issue would realise £121m fisting and stimulate trading. It would also raise awareness among the issue, which will have to be approved by its shareholders at a special meeting on October 14, is expected to be the first public offering of equity securities by a foreign shares closed at 534p, down proved by its shareholder interest in formation and the listing and the issue would realise £121m fisting and stimulate trading. It would also raise awareness among US investors who have only recent by on the day, having rallied from by begun to take an interest in formation in the US.

The ADRs, which will each represent the bank's activities on the price of NatWest's stock on the London Stock Exchange just before the issue will be decided after the shareholders' meeting.

The proceeds will be used to strengthen the bank's capital markets, to promote the marketshility of the bank's shares," he said.

NatWest intends to create 24.2m nation and provide funds for further growth, and provide funds for further growth and provide funds Nicaragua: Sandinista plan Economic Viewpoint: even to hold the land ...... 4 good news causes jitters . 19 Technology: GEC bridge for Lombard: reasons for mar-Management: sponsorship Lex: NatWest; Woolworth; for UK pop industry ..... 12 Reckitt & Colman ...... 20 Editorial comment: Poland; S. Africa: personal account

The things

grown-ups

talk about

By Robert Mauthner in

in Stockholm

FROSE who believe that security and disarmament conferences are all about

limiting nuclear warheads and troops would be sur-

prised to learn some of the

things grown-up men and

Though the general subject of

the 35-nation conference involving the US, Canada and all Western and Eastern European nations except Albania, is serious enough—

confidence and security-building measures and dis-armament in Europe—the de-

tailed negotiations sometimes border on the absurd.

Thus, one of the more impor-

Thus, one of the more impor-tant issues, now settled to Nato's satisfaction, is whether observers of other countries' plural manoeuvres should be allowed to bring thetir own binoculars. It was feared by the Western countries that the Soviet Union, or East Germany, could supply Wes-tern observers with binocu-lars with misty or deficient lenses which would give them no more than a blurred pic-

no more than a blurred pic-ture of the Warsaw Part's armed might.

For similar reasons the West has apparently insisted that

observers should be allowed to supply their own maps, in case the devious Russians should provide erroneous charts which could lead ob-

carrs which count lead ob-server aircraft and jeeps to end up in the icy wastes of northern Siberia rather than in the area where manoeuvres

But even with the most power-ful binoculars and most de-tailed maps in the world, ob-servers still fear that other

traps will be set for them by the inspected countries. The devilish Russians, for in-

The devilish Russians, for instance, might fly aeroplane-loads of Western observers well above the cloud ceilings, thereby blocking any view of what is happening on the ground. This necessitates detailed rules about who should provide the aircraft and the pilots as well as the airtinde.

pilots, as well as the altitude at which they should fly.

Nor, according to the West, should the Eastern countries be allowed to supply the air-craft used for observing

manoeuvres in case its windows turn out to be opaque,

kind of flying bathroom.

The discussions on this matter

led one delegate to suggest
—how seriously has yet to
be established—that observer

aircraft should be glass-bottomed, like Jacques Cous-teau's bathyscaphe.

Faced with such problems, delegates have let their imaginations run riot. One suggestion — made in the corridors rather than in the

plenary session — was that the toilets of spotter aircraft

should be used to provide extra seats so that more observers could be packed

The Alice in Wonderland atmo-sphere of some of the debates

sphere of some of the debates has been mirrored in the complicated organisation of the conference into two main working groups with five subgroups, which took almost a year to establish after the start of the conference in January 1984.

As a result, it is hardly surpris-ing that this is the only inter-

ing that this is the only international conference which openly admits that so-called "coffee groups" are an important part of the negotiating structure. They are said to be entirely informal and

off the record, but they are

nevertheless officially desig-

nated. "The coffee groups meet much more frequently

than the other working groups

and it is there that the real

work is done," a senior

If the Stockholm conference

delegate explained.

into the airplane.

(See finele.

si elikele

WEST GERMANY is likely to give up soon its opposition to private use of the European Currency Unit (Ecu)—a stand for which it has long been criticised by its European

partners.

A majority in the Bundes-A majority in the numbers bank's policy-making council is now understood to be in favour of dropping the ban on resi-dents holding private Ecu bank accounts in West

Although the Ecu issue lies within its own responsibility, the independent central bank is now believed to be waiting for a signal to move from the Mr Martin Bangemann, the

economics minister, is already known to want the Ecu ban removed, on grounds that it places German business at a competitive disadvantage. Mr Gerhard Stoltenberg, the

finance minister, has taken a tougher line—not least because he wished to use the Ecu issue as a bargaining counter in the drive to liberalise capital movements in the EEC.

But with other states, notably France, making clear progress to cut capital controls it is believed that Mr Stoltenberg is now close to dropping his

opposition.

The Bundesbank bases its formal opposition to the Ecu on Section 3 of the country's currency law which forbids Indexed liabilities — that is debts whose value depends on other currencies but which are payable in D-Marks.

indexation. The Bundesbank said it feared if permission were given to Ecu accounts, a precedent would be set for other forms of indexation — which could imply more infla-



These officials have expressed regret that West Germany — especially the Bundesbank — thus drew widespread criticism over an issue they felt was not worth the political fuss.

The likely removal of the ban soon does not imply that German monetary authorities are now attaching more impor-

debts whose value depends on other currencies but which are payable in D-Marks.

The Ecu — as a basket of mine different European currencies — has so far been held to involve just such a form of indexation. The Bundeshank said it feared if anything the reverse may be true.

Despite the general success of the Ecu in private commercial use, German authorities do not see the basket as a challenge to hard currencies — and certainly not to the D-Mark.

It is recognised.

It is recognised that the Ecu serves a useful purpose — for example for foreign trade transactions from relatively weak currency countries. At present the attraction of Ecudenominated investment is felt to be much less clear, not least because of the westmess of the However, there have long because of the weakness of the been West German monetary pound sterling (which has a officials privately ready to weighting of 14.3 per cent admit that while this strict within the Ecu basket, although formal argument is correct in Britain is not a formal memtheory, the fears are highly ber of the European Monetary unlikely to be realised in System's exchange rate practice.

### Comecon urged to accept market-oriented reforms

A PROMINENT Hungarian technological transfer from economics official has warned West to East in East-West trade that Comecon countries would which appeared to demonstate only succeed in accelerating only the West's technological only succeed in accelerating technological growth by introducing market-oriented economic reforms and permitting a more free flow of information.

only the "profit motive" and not Comcon's central authorities could help solve the problem of a chronic technological lag behind the West, Dr Csikos-Nagy headed Hungary's Office of Materials and Prices until Although Al lem of a chronic technological lag behind the West, Dr Cakos-Nagy headed Hungary's Office not solve the basic problem, of Materials and Prices until Although Communist countries 1984 and is a senior economic adviser to the government on GNP on research and develop-

He indicated that anything short of a sweeping "market economy" solution would not help Comecon out of its tech-

nological rut. H:5 provocative remarks His provocative remarks appeared in an economics review published by the Hungarian Chamber of Commerce which is urging wider-ranging economic reforms for the flagging Hungarian economy.

The economist noted that in the West the results of basic research in the military sector were quickly applied to the civi-lian economy. But in the Com-munist countries the civilian

ment than the West, he noted, the latter was well ahead in application. In the West the "profit motive is a strict regulator" in reducing the crucial time factor in innovation while

Both these elements he claimed had nothing to do with capitalism in the West. They

Patrick Blum reports on the change which could affect the social partnership ethos

### Austria faces up to industry rationalisation

They will be pursued, probably with even more determination, after the election.

after the election.

There are two reasons for this: First, the governing Socialist Party and the conservative opposition People's Party, are agreed that change is needed and that some of it will be painful. There is no alternative.

They are seen as inefficient, costly, and open to patronage and corruption, and impatience with the failure of past Socialist Governments to tackle They are seen as inefficient, costly, and open to patronage and corruption, and impatience with the failure of past Socialist Governments to tackle these problems is growing.

Dr Franz Vranitzky, the Chancellor has caught the public mood with his emphasis on efficiency and his uncompromising support for sweeping rationalisations at Voest-Alpine, the largest state company. The restructuring plan

June the pace of change in The Stratt-zy appears to be succeeding, despite protests from local politicians and a strong attack by Dr Alois Mock, the People's Party leader, who larger companies will be described the crisis at Voest-encouraged to find private, possibly foreign, partners and others to raise funds on their own account in the capital long argued in favour of the stock exchange.

Dr Vranitzky warned that the

W German

week sought

WEST GERMANY'S metalwork-ers union, which struck for shorter hours in 1984, gave notice yesterday that it aimed for a reduced 35-hour week in new contract negotiations start-ing soon, Reater reports from

Delegates of IG Metall in

The seven-week-long 1984

35-hour

REGARDLESS OF who wins Austria's general election in November, the country's nationalised industries are facing their biggest upheaval since they were established shortly after the war.

Government plans, inconceivable only a year ago, for major restructuring involve drastic cuts in the labour force and some measure of privatisation.

They will be pursued probably companies in an effort to keep grown accustomed to govern-ments balling out state-owned companies in an effort to keep down unemployment. Dr Vranitzky's strong backing for the plan caused further sur-prise. For a Socialist Chancel-lor, this was a dramatic shift in policy and a gamble.

Socialist Party and the conservative opposition People's Party, are agreed that change is needed and that some of it will be painful. There is no alternative to major restructuring for the state sector, whose burden on the budget must be lessened, they believe.

Second, the public mood has changed. Following years of mounting deficits for some of the larger state companies and the dramatic Sch 11.75hn (£550m) losses last year of Voest-Alpine, the steet and engineering group, public dissatisfaction with the nationalised industries has become widespread.

They are seen as inefficient, costly, and open to patronage and corruption, and impatience with the small rescriber of the fellowing in party.

Since Dr Vranitzky, a former banker and Finance Minister, was appointed Chancellor last June the pace of change in Austria has accelerated.

VOEST-ALPINE

Government would not continue to provide endless subsidies to state companies unable to improve their performance. He believes that long term social benefits can only be secured with a sound economy and companies that generate profits rather than losses. Voest-Alpine is the first test for the

being proposed.
With the strong likelihood of a coalition Government being formed between the Socialists and the People's Party after the election the consensus is

likely to prevail The response of the trade mions has been remarkably muted. There have been no threats of strikes and Mr Anton threats of strikes and Mr Anton Benya, the veteran socialist president of the Austrian trade union federation, has said that he supports the company's plans, with the proviso that there should be additional help for the regions most affected. Other senior trade unionists have warned workers against "overhasty reactions."

Change is also evident in the Socialist Party, whose fractious factions have united behind Dr Vranitzey's strategy in the belife that it is their only hope of retaining power. Change is inevitable after 16 years in Government, the Socialists

be just the calm before the storm. "We still don't know whether people will accept these measures." says Dr Max Kothbauer, a close aide to Dr Vranitzky. Another aide adds: vrantzky. Another aide adds:
"people are still waiting to see
whether it will really happen.
The difficulty will be when they
realise that there will be no

turning back."

Voest-Alpine's plans were to be approved in parliament in October since they involve a further injection of Sch 21.5bn in subsidies for the company to cover expected losses and re-structuring costs. With the

parliament to be dissolved for the elections, the Government is now looking at means of ensuring that the company will receive sufficient cash to cover this year's expected losses of about Sch 7bn while leaving approval of the full financial package until after the election. To ease the social blow and limit the political damage the Government is to provide additional social benefits, higher financial incentives for investments in the worse affected regions and simpler procedures for setting up new businesses. The idea is to develop these regions' infrastructure, especi-

ally transport.

The Government has been anxious not to undermine the unique Austrian social partnership — the institution which brings together employers, labour, the Government and, indirectly, political parties to settle conflicts through con-

This system has spared Austria the damaging social and labour conflicts seen elsewhere in Western Europe. Strikes are near non-existent, to be counted in seconds per year per

employee.

The counterpart to industrial peace and co-operation from the unions is a commitment that Governments will intervene in Governments will intervene in the economy and especially through the nationalised industries to maintain jobs and living standards.

Dr Vranitzky is now saying that this is no longer possible. He has opened up new ground for the social partnership as well as promoting a radical change in attitudes and industrial relations practices.

SOME WESTERN delegates were last night expressing doubts that the East-West con-

yesterday of 25 United Nations diplomats, might complicate the last stages of the bargaining process in Stockholm.

Fears about the US's possible intentions prompted Britain and West Germany to send an appeal to the US to stick to a unified. Western position in Stockholm, West German officials said in Bonn yesterday.

The officials said that the two countries' foreign ministers, Sir Geoffrey Howe and Mr

two countries' foreign ministers, Sir Geoffrey Howe and Mr Hans-Dietrich Genscher, had written to Mr Shultz stressing that Washington's European allies wanted to see the Stockholm meeting brought to a successful conclusion.

Meanwhile, there was no indication last night that the most serious obstacle to an agreement here, the question of which countries should provide the aircraft used to observe

it was sticking firmly to the Nato position that the aircraft should be supplied by neutral countries, such as Switzerland

# conference

### **Doubts over East-West**

By Our Diplomatic Correspondent in Sto

doubts that the East-West conference on security and confidential building measures and disarmament in Europe could be concluded by tomorrow night's deadline, although this was still the aim.

Even if all the tricky problems on inspection and verification of military activities and the size of military manoeuvres which have to be notified are solved in time, the US might delay a final agreement until the outcome of the meeting in Washington between Mr George Shultz, the US Secretary of State, and Mr Eduard Shevardnadze, his Soviet opposition number, is known.

number, is known.

That meeting, given the present tension between the US and the Soviet Union over the case of Mr Nicholas Daniloff, the US journalist accused of spying by Moscow, and Washington's expulsion yesterday of 25 United Nations

### ends this weekend in what is hoped to be the first important East-West agreement of the decade, it will be thanks largely to the huge quantities of the dark brown liquid consumed at these meetings. Dr Johnson would have approved

# Printer: Frankfort Druckerei-GmbH, Fran

the aircraft used to observe military manoeuvres, was any nearer to a solution. The US delegation categorically denied reports, published in an American newspaper, that Washing-ton was about to make a conces-sion on this point to the Soviet side, which has always insisted that the observer aircraft should Last Saturday, Turkish police detained three Iranians who were caught at Esenboga airport with a booby-trapped attache case, AP reports. Officials said the Iranians were be provided by the inspected country.

The US delegation said that

### **Kohl and Thatcher** visit Nato troops

man troops at Fallingbostel West on Tuesday.

The woman, named as Mrs Antoinette Nasif, 45, a Lebanese. was travelling to Lanarka in Cyprus via Athens as a transit passenger when a box containing 250 22m cartridges was discontained in one of her

was discovered in one of her three suitcases.

their armies' main battle tanks in a honour guard, warning sirens demonstration of their countries' wailed out over north-western Ger-

Mrs Thatcher flicked the firing of a tank commander, and Mrs switch on Britain's Challenger tank Thatcher a silk headscarf and to send a 120mm shell hurtling at goggles as they rode across the send a manufaction of the send and the send a manufaction of the send and the send a manufaction of the send and the send an an imaginary Soviet target on a range in the commanders turrets of ridge in Nato's biggest exercise their tanks.

West German Leopard 2 tank. "We both hit our targets dead on," Mrs Thatcher said afterwards.

CHANCELLOR HELMUT Kohl of Mrs Thatcher and Chancellor West Germany right, aboard a tank Kohl arrived earlier by helicopter during a visit he and British Prime from Bonn where they held talks on Minister Mrs Margaret Thatcher South Africa, terrorism, East-West yesterday made to British and Ger- relations and nuclear power safety

inspection of check-in luggage specially laid on by Cyprus Air-ways for "presidential flights." Mr Kyprianou as a rule travels to Greece on commercial Cyprus

attempting to sneak the attache case past a security check before

boarding an aircraft for Northern Cyprus.

Airways flights.

Germany.

As the two sensers mounted a probability Both leaders fired the gans of dium to be greeted by a military sirens commitment to defend Nato's gen-eral front, Reuter reports from Fal-tingbostel. Mr Kohl were the leather belimet

ange in Europe.

The two leaders watched a mock
Moments later Chancellor Kohl battle in which the tanks and Brittook aim at a second target from a ish and West German anti-tank helicopters displayed how they would engage an invading Soviet ar-moured division.

FINANCIAL TIMES Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/ Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London, Primer: Frankfurter-Societits-Responsible editor: C.E.P. Smith, Frankfurt/Main. Guiollettstrasse 54, 6000 Frankfurt am Main 1. O The Financial Times Ltd, 1996. FINANCIAL TIMES, USPS No. 190640, published daily emopt Sun-days and holidays. U.S. subscription rates \$365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing of-fices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 18022.

sector was discriminated against thought in terms of production as it was "more sharply separated" from the military. This, conflicts between government he said, partly explained the

nological development, he argued, was "unthinkable" with-

"marketing mentality" strictly selects research pro-

Dr Csikos-Nagy said that in the entral state administration the time-frame consisted of "calendar years" and quarters to which industry had to adapt. The entrepreneur, however

Baden-Wuerttemberg, spear-head of the shorter working week campaign two years ago, based their decision on the re-sults of that dispute which achieved a 38.5-hour week. achieved a 38.5-hour week.

They said shorter hours had created 100,000 new jobs in the engineering industry. A campaign for more jobs had to be continued at a time when West German unemployment totalled 2.12m, they said.

strike in the Stuttgart area mainly hit makers of electrical

and mechanical components for the nation's car industry, most of which had to stop production. The Baden-Wuerttemberg delegates, whose area contains 970,000 engineering workers, are traditionally the first to start wage negotiations for their

The results of their efforts—the next contract talks concern 1987—set the pattern for the rest of the nation's engineering workers and for many other Meanwhile, IG Metall he

Meanwhile, IG Metall head-quarters in Frankfurt said 10,600 workers in the North Rhine-Westphalia steel industry, which includes the in-dustrial Ruhr, stopped work briefly yesterday to demonstrate against the lack of progress in their wage talks.

The union, which negotiates separately for steelworkers, is asking 44 per cent for a 12-month contract period and has turned down an offer of 3.7 per cent for 14 months.

The next round in the talks, which involves wages only, start next Monday. The results will affect 190,000 steelworkers.

### Bidder for French TV 'hopeful' BY PAUL BETTS IN PARIS

BY OUR NORDIC CORRESPONDENT IN STOCKHOLM

LUXEMBOURG has stepped LUXEMBOURG has stepped up its campaign to gain access into the French deregulated television broadcasting market after a meeting in Paris between Mr Jacques Chirac, the French conservative Prime Minister, and Mr Jacques Santer, the Prime Minister of Luxembourg.

Mr Santer declared after the meeting that the chances of the Luxembourg-based Compagnie Luxembourg-based Comp stake in a French national television network as well as a channel on the French TDF-1 direct television broadcasting satellite due to be launched next year.

However, CLT's efforts to break into the French national television market in a big way had been thwarted by the previous Socialist government which saw in CLT a direct rival to broadcasting interests favourable to the rival to broadcasting favourable to the

interests favourable to the French left.
Since the victory of the right in the French parliamentary elections last March and the decision of the new conservative government to

cancel the private television concessions granted by the former left-wing administration, CLT has seen its chances of gaining a substantial stake in a French national television channel increase.

CLT now seems to have its sights firmly set on the French private commercial channel known as La Cinque, or the fifth channel, currently operated by a partner-ship involving Mr Jerome Seydoux, chairman of the private French Chargeurs transport and media group, and port and media group, and Mr Silvio Beriusconi, the

Visa rule upsets Scandinavians

SENIOR OFFICIALS of the five Nordic countries are to meet today to prepare a joint protest to the French Government against the inclusion of a senior official in the Swedish certain countries, "according to menter France as part of Paris's latest measures to combat terrorism.

The only Nordic country not to be hit by the visa requirement is Denmark, which is a member of the European Community.

The other four Nordic country not to be made exceptions to the visa requirements in the same way that EEC states and Switzerland.

"It is hard to differentiate"

Detween EEC members and European differentiate between introduction of visas for the entry of "citizens of certain countries," according to Dr Peter Ruber, head of the Swiss Federal police.

The visa restrictions ordered by the French Government could prove to be a "sensible measure" against terrorism, but is easier to travel from Sweden to some trav

### Arab held in Athens on way to Cyprus

BY ANDRIANA MERODIACONOU IN ATHERS

Ston Conflict to Stable

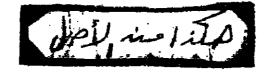
Corconner de se ou sun,

AUTHORITIES ARE holding an Arab woman on charges of Kyprianou, the President of tion was found along with a Cyprus, on the passenger list. Two Arabs and a Briton are after she was arrested at Athens serving life sentences in Cyprus in an airline security inspection of check-in luggage serving life sentences in Cyprus with Mr Spyro

In Athens the box of ammunition was found along with a tion was found along with a tion was found along with a lelescope in an airline security inspection of check-in luggage serving life sentences in Cyprus with Mr Spyro

In Athens the box of ammunition was found along with a tion was found along with a life security inspection of check-in luggage serving life sentences in Cyprus with Mr Spyro

In Athens the box of ammunition was found along with a tion was found along was found along was found along w for the murder one year ago of three Israelis. Arab gunmen who hijacked a Pan American jumbo jet at Karachi in early September had demanded the release of the prisoners.



### **OVERSEAS NEWS**

### Hawke launches attack on S. African mines restrictive work practices

Mr Bob Hawke, has announced a major attack on restrictive work practices, and the relaxa-tion of export controls over a range of resources such as oil and coal, in a bid to improve the international competitiveness of the economy.

The first stage of the Prime Minister's initiative will be a Government-sponsored meeting of union and employer organisations next week, to discuss practical ways of changing established work and management practices to improve productivity and reduce costs.

The Hawke Labor Government's decision to tackle the issue of restrictive work prac-tices is a sign of how far community attitudes to a range of industrial issues have shifted

worsening trade position and declining economic prospects.

The Government has had ments.

The Government has had ments. widespread acceptance of a tough budget which cut outlays and increased taxes, and its

The Government has also decided to free resource companies from much of the official red tape which has hampered their international competitive-

Oil companies will no longer have to get prior approval of export prices for any crude oil surplus to domestic needs which ue of restrictive work prac-es is a sign of how far mmunity attitudes to a range industrial issues have shifted the face of Australia's has been removed. In future,

removed the requirement on exporters of bauxite and alumina to obtain approval for and increased taxes, and as decision to push for further alumina to obtain approval to cuts in real wages at the next their negotiating proposals.

Export controls on tungsten are to be terminated to bring are to be terminated to bring with this commodity into line with tin, where controls were lifted in July.

Action is to be taken in the

problem area of international marine insurance where Australian insurers have had a poor record due to high stamp duty

charges by world standards.
Stamp duty has been lifted on contracts written in the territory under direct Federal Government control, and state governments have been asked to co-operate and remove the duties Australia-wide.

# UK faces nuclear clean-up cost

THE BRITISH Government will be asked to pay the full cost for the clean-up of nuclear test sites used over 30 years ago in Australia, under a decision announced in Canberra yester-

day. The Australian Government has decided it will compensate civilians and Aborigines who can show any evidence of illness caused by the nuclear testing, but will push ahead with efforts to make the British pay to remove the plutonium and chemical waste which at pre-

sent litter the site.

The decision is certain to anger British authorities and strain relations between the two countries. The UK Government has consistently argued that the issue of cleaning up the sites was settled in agreements signed in 1968 and 1979, and it has no remaining legal or moral responsibilities for the 1960s at Maralinga, Emu Field



The moves represent the Australian Government's official response to recommendations

into British Nuclear Tests in The commission. those involved in atomic testing conducted during the 1950s and and the Monte Bello Islands in

Central and Western Australia.
At this stage, the Australian Government is not seeking immediate British compensation, which it knows will be a hard fight, until it has a clearer idea of the full fearibility of idea of the full feasibility of

Senator Gareth Evans, Minister for Resources and Energy, said the Australian Government does not yet know the full cost of the clean-up for which it will bill the UK Government

The British Government maintains it has discharged all its obligations over the test

Its position is that it remains to be convinced, in the light of the clean-up of the sites which did take place in 1967 and the release signed by the Australian Government the following year, that it had either a legal

# safety reflects dangers, say experts

By Stefan Wagstyl in London

were fitted with some of the most advanced safety equipment in the

But they said that this reflected the fact that working conditions were among the most difficult and dangerous anywhere since South African gold mines are the deepest in the world and miners frequently have to work in particularly tunnels less than four feet (1.2m)

Mr Sam Stafford, an official at the US Government Mine Safety and Health Administration, said: "We consider that South Africa has some of the most advanced safetyconscious equipment and safety training we have seen.

However, the mine safety experts also pointed out that safety did not depend only on technology and training but also on the relationsors and workers.

"It matters whether they are al-ways thinking about each other's safety. You have to say to yourself that my safety depends on the other man's safety," said one engineer.

Black South African mine workers repeatedly say that, whatever a company boardroom's attitude to black workers, mine managers and supervisors often treat them with

Some South African mining executives accept that this is occasionally the case – but reject any suggestion that managers are ever reckless with men's lives.

Moreover, South African gold mine safety standards are directly related to the nature of the indus-

MINING SAFETY experts in the try. In the US and Australia the UK and the US yesterday acknowledged that South African mines ple to work underground have long ple to work underground have long ago led to enormous financial pressure for increased mechanisation and have reduced the workforce. So an accident is likely to kill only a few people at worst.

In the US, Mr Stafford said When we have more than five deaths, that's a major disaste

By contrast, the South African gold industry can still afford to be labour-intensive, with a single mine employing tens of thousands of

Mining companies say that the gold seams are often too narrow to be profitably mined mechanically, That is true, but in industrialised countries that would have led to mine closures - not the continu-tion of labour-intensive methods.

It is difficult to compare international safety records because the figures are expressed in different ways. The mine death toll in the US has fallen from 1,420 a year in the early 1930s to 206 in 1984 and 122 last year, a record low.

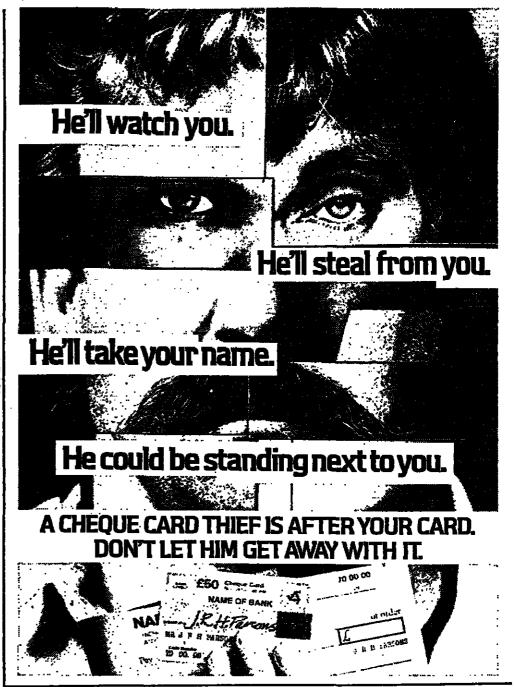
The world's worst mine disaste appened in China in 1942, when 1,572 people died in a coal dust ex-plosion at Honkeiko mine, in the north-east of the country.

In Japan a gas explosion killed 452 at the Mitsul Milke mine in

In Britain's worst accident, 439 men died at Senghennydd coal mine, south Wales, in 1913.

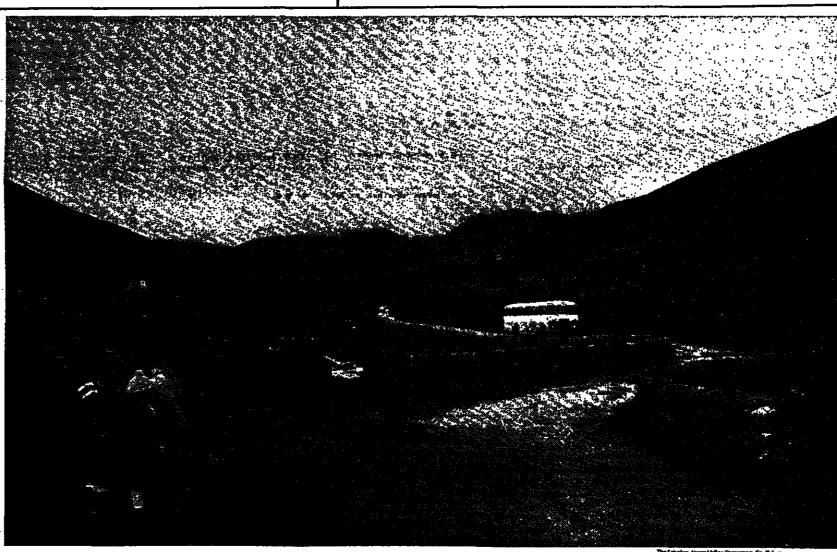
South Africa's worst accident wa in 1960 when a cave-in killed 437 miners at Coalbrook North colliery.

The biggest US disaster was at
Monangah coal mine, west Virginia,



### **WORLD ECONOMIC INDICATORS**

every Monday-Only in the Financial Times



KNOWLEDGE IS POWER.

### HK economy expected to grow by 5.6% this year

BY DAYID DODWELL IN HONG KONG

HONG KONG'S ecenomy is 3 per cent, and unemployment likely to grow by 5.6 per cent to remain neglibile. Hong kong's domestic exports have risen by 8 per cent in the first half of 1986, boosted yearly economic report, released yesterday.

As predicted earlier this year.

year, as measured by Gross Domestic Product. It is also a 1 per cent improvement on forecasts made at the time of the annual budget in February.

Mr Jacobs, presenting his first economic review since tak-ing over as Financial Secretary from Sir John Bremridge, also expects private consumption to grow strongly-by 6.5 per cent in real terms compared with original forecasts of 3.5 per cent-inflation to remain below

### Devaluation protests hit

sition to Indonesia's recent 45 per cent devaluation of the Exports to West Germany

a strong export performance is expected to provide the impetus for growth.

The new forecast contrasts strikingly with economic growth of a bare 0.75 per cent last

Exports to West Germany have been particularly buoyant, rising by 29 per cent in the first half of the year. The forecast for the full year is now was tout of a bare 0.75 per cent last cent and to Janan by 16 per cent and to Jana In contrast, exports to

US have risen by just 5 per cent as recently-introduced pro-

With all of this taken into account, the Financial Secre-tary is predicting a visible trade deficit for the year of HK\$390m (£36m), an imperceptible 0.1 per cent of total trade. This

IMMEDIATE SYNTHESIS OF THE BEST

QUALIFIED PRODUCTS,

### Indonesia FIRST INDICATIONS of oppo-

rupiah surfaced yesterday with student protests in the provin-cial capital of Bandung.

The incident occurred as President Mitterrand of France who is on a four-day state visit, was touring Indonesia's state The President is rea 2,000-strong crowd carrying nesian Government.

Meanwhile, Gen Benny

account deficit following the sharp drop in world oil prices.

dani, armed forces chief, has put the army on alert in Jakarta following reports of riots in the capital on Monday Indonesia, the world's fifth most populous country, faces an estimated \$5bn (£3.3bn) current

would follow a surplus last year of HK\$2.5bn.

New Jersey National Corporation EQUIPMENT AND FORMULAS

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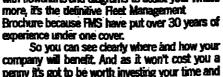


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### Paris Club and Mexico agree rescheduling deal

BY DAVID MARSH IN PARIS

agreement in Paris by western the international debt crisis. It government creditors to reschedule \$1.8bn (£1.2bn) fo the country's public sector loan payments due over the next 18 Indicating the stepped up

The agreement, reached with representatives of 14 western governments led by the US at the so-called Paris Club of creditors, follows approval by the International Monetary Fund of a substantial rescue package for Mexico carlier this

mann.
Under the Paris Club accord.
100 per cent of capital repayments, and 60 per cent of interest due between September
22 this year and March 31 1988 are to be rescheduled.

Payments originally designed

to be made during this period by Mexican public sector agencies of official creditors will be stretched out over 10 years with a six year grace period. They will begin in January 1992 and end in July 1996.

Mexico last came to the Paris Club to work out debt reschedul-ing in 1983. But the latest agreement is much more comprehen-sive as it covers debt owed by

the country's private The US, with by far the laregst exposure to Mexico under government-to-government credits, clearly played an important role in naving the way for the Paris Club accord.

MEXICO has taken a further more active in recent years in step towards resolving its international debt problems with the Third World countries hit by

pace of Paris Club activity. diplomats and civil servants countries who attend its meet-ings have rescheduled about \$36bn of debt since the beginning of 1983.

This is more than the amount previously stretched out during the whole of the club's 30 years

markets correspondent, adds:
With the Paris Club negotiations now out of the way attention is again focused on
Mexico's negotiations with commercial bank creditors in the run-up to the International Monetary Fund annual meeting at the end of the month.

The IMF has asked comme cial banks to secure " a critical mass" of commitments to \$6bn in new loans for Mexico by September 29, but bankers close to the negotiations in New York say this deadline will be vir-tually impossible to meet. Efforts to reduce the new money total are meeting re-sistance from the IMF on the

public sector borrowers rather than, as on the previous occagrounds that it would be essier to scale back a large loan if Mexico's economic performance were better than expected rather than cut the amount now The club has become greatly finance later.

#### US to give Bolivia \$100m short-term loan BY FETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE US has agreed to provide designed to reward Bolivia for Bolivia with a \$100m (£68m) its co-operation with the US is

the World Bank and International Monetary Fund (IMF). Announcing the decision yesterday, the Treasury said the move was taken in response to Bolivia's "courageous" efforts

to stabilise its economy and

The disclosure late last month that the Treasury was considering such a move prompted com-mercial bankers to suspect that

its co-operation with the US in short-term bridging loan while it negotiates further economic assistance from the leading yesterday the loan had no such international institutions such motivation and was regarded purely as economic assistance to Bolivia in keeping with the Baker plan on easing the developing country debt prob-

> Bolivia is one of the 15 countries designated as a bene-ficiary under the Baker plan. It has fallen badly behind with interest payments on its \$350 foreign debt and faces a further drain on its scant reserves as a result of the clampdown on the



Joe Kennedy Ik--jubilant.

Reagan suffers

SDI financing

PRESIDENT Bonald Reagan's missile defence programme has suffered a setback in the Senate where the appropriations committee on Tuesday cut the President's request for \$4.8bn (£2.2bn) in funding for \$4.8bn (£2.2bn) in funding for

By the time the appropris tion emerges from a House-Senate conference committee, where Democrats want to

spend even less, the funding is likely to shrink again to

The President, who has thrown much of his prestige behind the Strategic Defence Initiative (SDI), has asked for \$33bn over the next five years.

However, several semators are now predicting that appro-priations for the so-called Star Wars programmes will remain about the same as next

year's level, bringing the total five-year expenditure to about \$15bm.

The Administration's five-year plan had called for SDI spending to rise from \$4.8bm next year to \$9bm in fiscal 1991. Now the Pentagon will have to make do with an increase of just \$250m over last year to devote to research.

Meanwhile, the Democratic

leadership conference, a group of moderates, has issued a report attacking the policies of the Reagan

The report suggests that the US should offer to reconsider SDI if the Soviets stop violating existing arms pacts:

O The US Force and General Dynamics have scaled a second multi-year contract for F-16 jet fighters totalling \$4.5m (£2.9bu) AP reports

The contract calls for General Dynamics, the US defence company, to provide

from Washington.

fiscal 1987 to \$3.4bm

setback on

### Primary wins for Kennedy clan

nounced that "the torch has been passed to a new generation," his niece and nephew—
the eldest children of his late brother Robert — have won primary victories for seats in primary in Maryland. It is she, the IIS House of Representation of the primary in Maryland. It is she, the IIS House of Representation of the primary in Maryland. It is she, the IIS House of Representation of the primary in Maryland. It is she, primary victories for seats in primary in Maryland. It is she, assistance programmes. He the US House of Representation, won a perimary in Maryland. It is she, assistance programmes. He the US House of Representation, now, who faces the toughest was attacked by liberals for tives, to be contested in the challenge in November against his support of the US bombing mid-term national elections on a well-entrenched Republican of Libya and for endorsing November 4.

TWENTY-FIVE years after the vote for the seat being father, who was assessinated in President John Kennedy an abandoned by Mr Thomas June 1968 while running for nounced that "the torch has "Tip" O'Neill, the retiring president. Mr Joseph Kennedy

The toughest win so far came on Tuesday for Mr Joseph Kennedy, 33, who beat 10 opporants to capture 53 per cent of much of the liberalism of their seat, emphasises her husband's

proved his ability in business, setting up Citizens Energy, a non-profit company that contributes to low-income fuel- (£676,000) on the race, twice capital punishment. Mrs Helen

family ties to come from the district she seeks to represent rather than the Kennedy family the family—he spent \$1m (£676,000) on the race, twice lenge

as much as his nearest chal-In another key primary race Tuesday, Mr Brock Adams, a former congressman and Secre-tary of Transportation, made a strong showing in winning the Democratic primary for a Senate seat.

### Sandinistas woo peasant farmers

tion.
This switch in the emphasis from state of agrarian reform, from state farms and peasant co-operatives to individual peasants who, like peasants everywhere, want their own parcel of land, started in carnest last year.

It has been pursued with new argency this year in the expectation that the US-backed contras. or counter-revolutionary forces
—finsh with the new \$100m
support purchase the Reagan
Administration has just pushed through Congress and honed by a massive US training pro-gramme — will redouble efforts to establish a base inside the

country.

"We are in a hurry to give out land," says Dr Orlando Nuzez, director of CIERA, the Agrarian Reform Ministry think Agrarian Reform Ministry think tank. "For the producer in the countryside, the land is a small piece of his patria, his fatherland." The Sandinistas are trying to ensure that the peasants, the majority of the population, have a firm stake in the revolution. tion, working on the assumption that they are more likely to defend what they own.

To this end, the small com-

To this end, the small com-pessino will this year get more plots of new land than at any time since the 1979 revolution. Squatters received title to about a fifth of the country's agricul-tural land retrospectively legal-ised in the years to 1985. Parallel with the land grants, the Government is deliberately taising living standards in the countryside at the expense of the cities, in what looks like a successful attempt to reverse the unmanageable flow of

from fixed floating prices—and need a government license to cross provincial boundaries—in a bid to stimulate production and regional self-sufficiency and short-circuit Managua-based black market networks.

When the Sandinistas over-threw the Sandinistas over-threw the Somoza's family's 40-year dictatorship, they took over that fifth of the country's land owned by the dynasty, raising this to over a third by 1985 by placing a theoretical upper limit of 350 hectares on private holdings, thereby allowing expropriation of under-utilised land over this size.

Initial emphasis was on state farms and seven mega-projects in particular, which took the lion's share of what from 1979

to 1983 was the highest rate of An aid package that China has offered Nicaragua does not include military assistance, the Chinese foreign ministry said yesterday, Reuter reports from Peking.
The ministry said the two
countries had signed an
economic co-operation agree-

agricultural investment in Latin Officials generally accept that Officials generally accept that this created major distortions—ting up its own, rival distribution purposes of result in a series of rural microecenomics. They point out, however, that following the ravages caused by the war against the Somoza regime they needed to retain the contral have penetrated, Unage economics of scale of the large estates.

Government tolerance, it is setting up its own, rival distribution purposes. It is more hostile into network. It is more hostile ton network. It is more hostile into network. It is more hostile ton network. It is network. It is network. It is network.

This thinking was carried into the drive to build co-operatives, and in resettling around 250,000 the inimangeable now of and in resetting around 250,000 Mr Liuis Castro, the local people into Managus, attracted people, 8 per cent of the popu. Unag leader, explained recently there by a booming black lation, driven or brought out of that the rate of handover economy.

Contra penetrated areas. It was "depends on the belligerance" thought co-operatives would be of disaffected local peasants. To

ng expropriation of under-tilised land over this size. He planning but would now Initial emphasis was on state be at the forefront of it. "We are going to create 20,000 new landowners this

year," he
Its philosophy is to promote

ment providing for Yuan 70m about \$9.3m). in interest-free Chinese loans.

The agreement was signed during a visit by President Daniel Ortega who said on Sunday that the loans would help the government bay food, tools and other goods.

but not impose co-operatives and, with Swedish funds and Government tolerance, it is set-

In Acoyapa, in the central department of Chontales, the furthest into Nicaragna the Contras have penetrated, Unaghas secured 44,000 hectares of state, formerly Somoza, land and this year has parcelled out a quarter of it.

Mr Luis Castro, the local Unaghasted recently

NICARAGUA'S left-wing Sandinistas have turned to a form of
nistas have turned to a form of
a Nicaraguan is now more likely
privatisation, handing over
to secure boots, beans, or a battracts of state land to the
tracts of state land to the
tery 50 miles from Managua
that in it.

Contras, whose incursions have have to fight for it. Unag will
conservative and suspicious
peasantry, often with rifles to
defend it, in order to consolidate support in the countryside
for their seven-year-old revolution.

This contral, whose incursions have have to fight for it. Unag will
conservative and suspicious
peasants who did not want to
join co-ops got no land, saw
her Miguel Angel Villegas, a
30-year-old Sandinista from
the big new schemes disrupting their often family-based,
a credit and service co-op (with
joint health, education, housing

joint health, education, housing machinery and inputs but individual landholdings), having earlier failed in an attempt to set up a fully integrated production co-op, more favoured by the Sandinistas. But his co-op has received just nine Soviet-supplied AK-47 assault rifles for its 30 members, of the 1,000 the local Unag has requested, 350 of which have been handed out.

of which have been handed out.

Mr Eugenio Solis, on the
other hand, does not want to
know about co-ops, which, he
suggests, instil laziness as well
as offer targets for the contras.

A leathery-faced 58-year-old
with seven children, he got the
first lend he has ever carried 25 with seven children, he got the first land he has ever owned, 35 hectares, in May and is "working it with love, producing from it as much as it can give."

Both men are being accommodated in Acoyapa on divested state land. The Government is expropriating some private land, where it cannot meet proven peasant demand from its own stock. As a guid pro quo.

own stock. As a quid pro quo, it has abolished limits on private landholding and the worst effect on private agrobusiness will be increased manpowe shortages as men like Mr Solis leave the seasonal labour

But if the contra war wors as is now expected, big land-owners of doubtful patriotism— two of whom the Unag in Chontales has in its sights—will face pressure.
The Sandinistas are not leav-

The Sandinistas are not leaving much to chance and believe in the slogan on the monument to the guerrilla (raised rifle in one hand, sickle in the other) in central Managua: "Only the workers and peasants will go on to the end"—not from Marx, but from Sandino, the nationalist general whose peasant army drove out the US marines in 1933.

### **Nuclear station** to be turned into gas plant

By Anatole Kaletsky in New York ONE OF the largest idle nuclear power stations in the US is to be converted into a natural gas plant under an agreement announced yesterday by Consumers Power of Michigan and Dow Chemical.

However, the agreement, which would involve additional investment of about \$440m (£297m) at Consumers' mothballed nuclear facility at Midland, Michigan, is unlikely to end the costly and litigious saga of this project.

The power station was originally expected to open by 1975 at a cost of \$276m and was de-However.

ally expected to open by 1979 at a cost of \$276m and was designed to provide steam and electricity for the nearby plants of Dow Chemical's Michigan division. Disastrous technical problems and construction delays had eaten up \$4.2bn by the time the plant was abandoned uncompleted in 1984.

The project was halted in part because Dow Chemical terminated its contract to buy the power station's processed steam and sued Consumers over the and sued consumers over the cost overruns and delays.

Consumers counterclaimed against Dow and also applied for large rate increases in order to offset some of its Midland

Yesterday's agreement brings to an end all litigation between Dow and Consumers and estab-lishes a joint venture between the two companies to carry out the natural gas conversion. It is unlikely to be welcomed by some of Consumers' other electricity customers.

Michigan Citizens' Lobby, a

٠.

pressure group of utility users, has claimed that the power from Midland will for many years be surplus to the state's

### INTERNATIONAL MONETARY FUND ANNUAL REPORT

### Prospects improve for industrialised economies

Intensified, the International Monetary Fund says.

In its annual report to member countries the Fund identifies a number of factors over the last 18 months that hold out the potential for improved economic performance, despite the recent slewdown in the pace of world growth.

Last September's Plaza agreement by the Group of Five industrial countries to drive down the value of the dollar.

The Fund says that the condown the value of the dollar petitiveness impact of exchange in the current account deficit and the current account surpluses in Japan and West Germany — is still a threat to balanced growth.

Trade between the three countries in 1985 was still a threat to balanced growth.

Trade between the three countries in 1985 was still a threat to balanced growth.

Trade between the three countries in 1985 was still a threat to balanced growth.

Trade between the three countries in 1985 was still a threat to balanced growth.

Trade between the three countries in 1985 was still a threat to balanced growth.

Trade between the three countries in 1985 was still a countries down the value of the dollar petitiveness impact of exchange had led to a more sustainable rule movements generally pattern of exchange rates. The operates with lags of two or pattern of exchange rates. The Gramm-Rudman-Hollings debcit reduction law in the US had begun the process of reversing tend eventually to reduce the the sharp divergence in fiscal imbalances, policies between the major lts economic forecasts, however, which have been sent

tion and consistency of noticies reflected the absence of infla-among the major countries." reflected the absence of infla-tionary pressures in most coun-

inflationary growth in industrialised countries, but the problems faced by many developing countries have intensified, the International Monetary Fund 5273.

three years, suggesting that the face a loss in export revenues fall in the dollar's value will of 570bn, which represents tend eventually to reduce the about one-third of total over-

economies, and the collapse is ever, which have been sent the decision of leading induscing prices had brought a sharp separately to governments and trial countries to strengthen are not published in the annual procedures for the multilateral report, are understood to indicate no strengthen the state of their economies, and of subsequent agreements in the Fund's policymaking intrain committee and at the Tokyo Economic Summit to remained "a significant past 18 months, which have been sent the decision of leading induscing trial countries to strengthen are not published in the annual procedures for the multilateral surveillance of their economies, and in particular to broaden the scope of such monitoring to include a range of indicators of economic policies and personnel to the countries to strengthen are not published in the annual procedures for the multilateral surveillance of their economies, and in particular to broaden to include a range of indicators of economic policies and personnel procedures for the multilateral surveillance of their economies, and in particular to broaden to include a range of indicators of economic policies and personnel procedures for the multilateral surveillance of their economies, and in particular to broaden to include a range of indicators of economic policies and personnel procedures for the multilateral surveillance of their economies, and in particular to broaden the scope of such monitoring to include a range of indicators of economic procedures for the multilateral surveillance of their economies, and in particular to broaden the scope of such monitoring to include a range of indicators of economic procedures to surveillance of their economies, and in particular to broaden the scope of such monitoring to include a range of indicators of economic procedures for the scope of such monitoring to include a range of indicators of economic procedures for the scope of such monitoring to include a range of indicators of economic procedures for the scope of such monitoring to includ promised "a significant past 18 months, which has been improvement in the co-ordina- particularly marked in the US.

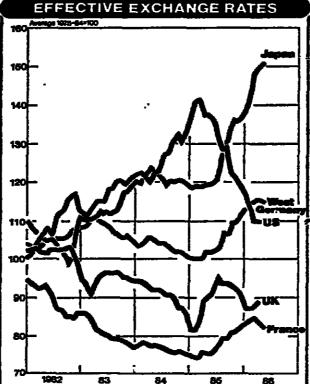
RECENT developments in the world economy have improved sustained growth have dimining the prospects for balanced non-inflationary growth in industrial countries, but the however, that one on the major declined to below 4 per cent the 1960s and to an even lower rate in the first part of this year as the world oil price

> If the oil price remains at around \$15 per barrel, it will represent an annual trade gain of \$90bn or 6 per cent of imports for oil-importing countries, substantially strengthen-ing the outlook for domestic demand in those countries. as true.
>
> The loss in import earnings
> The Fund says that the comfor oil exporting developing countries, however, will signifi-cantly damage their already shaky economic prospects. They

> > seas carnings.
> > The Fund is encouraged by

This cautiously optimistic assessment of prospects for industrialised nations, however, contrasts sharply with the among the major countries."

tionary pressures in most countries, sharply with the major uncertainties that had greater progress will be made of trends in developing nations.



prices and the continued unwillingness of private banks

Much slower world trade as well as a number of coun growth last year combined with tries with extensive financial weak international commodity and commercial links with oil unwillingness of private panes to resume lending seriously has been to accentuate exacerbated the external constraints on growth in many already confronted by these countries in 1985," the report

# exporting countries, the net effect of recent developments

### Central banks shift official reserves away from dollar

rencies, the IMF reports.

US dollars made up 80 per cent of official reserves of foreign exchange reserves in the mid-1970s, but this proportion fell to 71 per cent at the end of 1984 and to 65 per cent by the end of last year.

main industrial nations have sold dollars heavily since the spring of 1985 in a concerted effort to lower the exchange Dollar sales in the foreign exchange markets amounted to \$10bn (16.8bn) in the five weeks following the agreement on

The decline of dollar reserves in importance has been matched by a rise in D-Marks (up from 9 per cent in 1977 to 16 per cent in 1985) and in Japanese yen (from 3 per cent in 1977 to 8 per cent last year)

Industrial countries have wound down their dollar reserves faster than the develop-

CENTRAL banks have been reserves in terms of special further intervention has been cent in 1977 to 65 per cent SDR 406bn at the end of 1984 shifting their official currency throwing rights (Sdrs), the required since.

The decline of dollar reserves away from the dollar holdings 1985, partly as a result of the and into a broader range of currency matter above the dollar holdings 1985, partly as a result of the dollar, and industrial partlers have 66 per cent

Last year was the first in industrial nations, the Fund says in its annual report.

Overall, the rebuilding of official reserves in 1983 and 1984 slowed sharply last year, The fall reflects partly the point intervention by the Group ing nations. The proportion of official reserves in 1983 and dollar's depreciation against of Five leading industrial total currency reserves denominations at New York's Plaza nated in dollars held by industrial total currency reserves denominations at New York's Plaza nated in dollars held by industrial total reserves fell from 1984 slowed sharply last year, other major currencies, which nations at New York's Plaza nated in dollars held by industrial total reserves fell from 1985, and trial countries fell from 1985 per gold, total reserves fell from

The ratio of reserves to imports also declined slightly, which developing nations held a the IMF says. During the greater proportion of their 1980s the industrial nations reserves in dollars than did the have maintained their reserves industrial nations, the Fund at close to 17 per cent of their annual imports. The developing countries saw a decline in the ratio to 25} per cent in 1982 but have recently rebuilt their reserves to more than 30 per

### IMF backs closer collaboration & with World Bank on debt crisis

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

Fund and the World Bank as a means of helping ease the developing country debt crisis are contained in the IMF's annual report published today. In a discussion of the debt strategy over the past year the IMF notes that important policy changes in both creditor and debtor countries are needed as part of an enhanced debt

evidence of such change in the industrial countries, with actions to reduce the US budget deficit and lower interest rates, it has been harder to orchestrate and supervise policy changes in the developing

As part of a review of the conditions attached to IMF lend-ing programmes over the past year, the IMF said its directors supported the need for its programmes to emphasise enhanced economic efficiency and competi-tiveness but in some of these areas, including pricing policy, tax reform, financial sector reform and trade liberalisation, it lacks the necessary expertise and experience. "To move very far in that

direction would require careful attention to the question of collaboration with the World Bank and could also have implications for the guidelines on conditionality," the report SRYS.

FRESH INSIGHTS into the lation and follow-up of microneed for collaboration between
the International Monetary
Fund and the World Bank as a

tries to carry out structural reforms," the report continues. Noting that some countries Noting that some countries have yet to reach a viable balance of payments position after several years of corrective effort, the IMF warns of what it calls "adjustment fatigue" if this effort is carried out against a background of slow growth. It also says the adoption of a medium term economic scenario for debtor countries has proved helpful in formulating stabilisation programmes for developing countries.

This is one area where col-laboration between itself and the World Bank has increased, with the aim of developing "a consistent diagnosis of memtomstent diagnosis of members' policies, so that policy advice and financial resources provided by the two institutions can be made consistent, complementary and mutually reinforcing while avoiding cross-conditionality. conditionality."

Collaboration between the two organisations has also been necessary further to encourage the provision of finance from other creditors. One recent development that

will also require co-operation between the LMF and the World Bank is the structural adjust-ment facility established in March, which is designed to finance medium term adjustment Programmes.

"It was eventually concluded that the IMF should draw loans up to a maximum was also at a new peak of 168

not go too far in the formu-

to balance of payments financ-

"Nevertheless, its financial support is not likely to be on the same scale as in the early stages of the debt crisis; thus a somewhat greater emphasis has been given to the catalytic role of IMF support." During the 1985-86 financial

year drawings on the IMF declined to SDR 3.9bn from SDR 6.1bn in 1984-85 while outson 6.10n in 1864-80 while our-standing IMF credit fell by SDR 300m to SDR 34.6bn. The IMF does not discuss its recent decision to declare Peru ineligible for further drawings as this happened after the end of its financial year on April 30, but in a section on payments arrears run up by its members, it says concern prompted it both to delay reductions in its lending rates and to raise its target for net income to 5 per cent from 3 per cent of its re-serves at the start of each fin-

ancial year.

Total membership arrears at the end of the financial year amounted to SDR 482m. Altogether, the debts of developing countries grew by 7! per cent in dollar terms last year, with most of the increase accounted for by the apprecia-tion of other currencies which make up part of the total.
This slow growth in debt still left the developing countries facing a \$3bn increase in their rogrammes.

debt service bill to \$129bu,
The IMF says that continuabringing their debt service ratio

FOF	Foreign exchange Holdings								
1977	1978	1979	1920	1981	1982	1983	1984	1985	
<b>80.3</b>	78.2 1.8	75.2 2.1	69.D	73.1	71.7	72.2	70.5	65.1	

Pound sterling Deutsche mark 112 12 22 09 34 1.1 French franc Swiss franc Netherlands guilder

مركذا مند لأص

Western diplomats do not expect Moscow to react to the

fall in hard currency earnings

by borrowing heavily from Western banks. They say this

can be ruled out for political reasons and the Soviet Foreign

in the price of good — or which Moscow may increase its sales to 400 tonnes this year from 215 tonnes in 1985 — and the decline in the price of grain which is its single biggest

### EEC struggles to clarify S. African sanctions

Quentin Peel in Brussels looks at the machinery of import curbs

member states and the European Commission in Brussels were yesterday struggling to clarify details of how trade swections approved by the 12 separate national regulations. The process of deciding could on how the proposed ban on new investment in South African insports of gold coins like the Krugerrand.

The Foreign Ministers could not decide whether those actions should be enforced under EEC legislation — and thereby ensure that the same interesting to the clarify details of how trade clarify details of how trade community — or under successful deciding could consider the question, and then the question, and then consider the question is that is undecided, both must consider the question, and then consider the question is that is undecided, both must consider the question, and then consider the question is that is undecided, both must consider the question, and then consider the question is that is undecided, both must consider the question, and then consider the question is that is undecided, both must consider the question and then question is that is undecided, both must consider the question, and then consider the question is that is undecided, both must consider the question and then question is that is undecided, both must consider the question of the question of the process of deciding could with the process of the process of the process of the process of the count in the pean Commission in Brussels

1mport curbs

products affected includes virtually all items defined as "iron
European Commission officials and steel" according to the
said they understood the ban
Treaty of Paris establishing the European Coal and Steel Com-

> That covers such items as pig iron, cast iron and spiegeleisen, waste and scrap metal, blooms, billets, slabs and sheet bars, iron and steel coils, universal plates, bars and rods (including wire rod), angles, shapes and sections.

Alloy steel and high carbon steel is banned, but ferro-alloys are not.

additional economic sanctions against South Africa using the

package adopted by the EEC as a "valuable reference," a

But officials declined to re-

### Moscow to give 21 ministries freedom to trade with West

BYPATRICK COCKBURN IN MOSCOW

THE SOVIET UNION is to give the light to trade with the West to 2i ministries and 67 enterprises from the beginning of next year under a soon-to-be-published decree which will western banks. They say this beach the Exercise of the sound of break the Foreign Trade Ministry's monopoly.

Trade Bank has told visiting bankers that its borrowing needs will not rise substantially The aim of the government is to increase manufactured exports by allowing 21 mini-stries out of a total of about 60 to import the machinery The country has also been hit by a sharp reversal in its terms of trade because most of its exports are denominated in they need and have greater con-trol over their foreign dollars and its imports are in West European currencies.

The only good news from the Soviet point of view is the rise in the price of gold — of which Moscow may increase its sales

At the moment, Soviet At the moment, Soviet exports to the West are made up almost entirely of raw materials, notably oil, oil products and gas, most of which have suffered from steeply declining prices. as a "valuable reference, Foreign Ministry official said yesterday, Reuter reports from

declining prices.

The breech in the Foreign Trade Ministry monopoly will affect only about 6 to 7 percent of Soviet trade. The export of raw materials and the import of whole factories will continue to be handled by the Foreign Trade Ministry.

• The EEC Commission has imposed a 33 per cent anti-

dumping duty the Foreign Trade Ministry.

The Soviet Union has reacted to the fall in the price of its main exports by cutting imports. French exports were down by 42 per cent in the first half of the year, West German by 10 per cent. Italian and

this year.

### Dutch continue coal battle Norway plans to go it alone on boycott

THE Netherlands will continue unilateral steps by the Netherto battle for an EEC boycott lands. of coal from South Africa after

do so.

Mr Hans van den Broek, the
Dutch Foreign Minister, made
no secret of his disappointment
over the compromise package
and promised to keep pressing
West Germany for a coal ban. Equally important is the South
If he again fails to convince
Bonn of the necessity of a ceal
boycott, then parliamentary
pressure is likely to grow for

Banctions.

South African coal imports
into the Netherlands are a
relatively modest F1 1442m,
although they account for a
significant portion of coal supplies, all of which are imported.

Equally important is the South
African coal that is transshipped through Rotterdam, a
major entrepot for coal going
pressure is likely to grow for

Mr Jacques Wallage, a labour obers in voluntarily banning coal, and possibly adding other coal if the Community falls to sanctions.

alone in imposing economic sanctions against South Africa and is planning a broadly-based trade boycott, Norwegian Prime Minister, Gro Harlem Brundtland announced yesterday, AP reports from Harare.

Using the platform of the UN-sponsored World Commission on Environment and Development meeting in the Zimbabwe capital, Mrs Brundtland said Norway was also willing to increase aid to neighbouring black-ruled states if they suffer from a backlash on sanctions,

South Africa, under increasing threat of wider economic sanctions has threatened to pass on the affects to neighbour states economically dependent on its trade and transport

OIL BOILER

Mrs Brundtland would not give specific detatils of the proposed measures, but said they would cover "all areas of economic activity" and would hurt some sectors of the Norwegian business community.

The Danish legislation contraveness the EEC's trade policy, which, in accordance with Article 113 in the Rome Treaty, does not permit member countries to impose unilateral restrictions on trade with third countries.

 DENMARK has gone further than any other European country so far imposing an almost however, is that the trade boytotal han on trade and goods and services with South Africa, political issue, and therefore writes Hilary Barnes in CopenArticle 113 does not apply.

strictions on trade with third countries.

The official Danish position, however, is that the trade boy-cott is not a trade issue but a

writes Hilary Barnes in Copenhages.

The main exception is that
Danish companies are still permitted to export medical goods to the Republic.

The legislation was passed in June and takes effect in December, but the main item on the Danish import bill, 3m tonnes of coal a year from South
Africa used for power generation, has already been stopped.

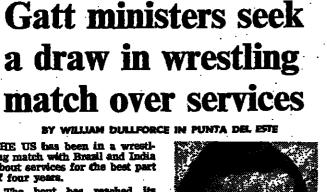
veal the exact shape or timing of the additional measures to be imposed. The announcement, they indicated, could come early next week. next week.

Japan is South Africa's second
largest trading partner. It already has banned direct investment there and the export of computers to the army and police. It has also discouraged the import of South African gold coins and restricted sporting and cultural ties.

When cotton yarn processors James Sutcliffe & Sons Ltd were told of the massive savings they could make by switching from oil to electricity they were, frankly, sceptical.

Ian Flint, Industrial Sales Engineer at Yorkshire Electricity Board, had taken a hard look at the oil boiler - used to provide heat for steaming cotton yarn and for space and water heating in the works canteen - and predicted substantial benefits by switching to electricity.

YEB carried out detailed tests before recommending the installation of a highly efficient electrode boiler for yarn steaming, with separate electric space and water heating equipment in the canteen.



THE US has been in a wrestling match with Brazil and India about services for the best part

The bout has reached its climax this week at the trade ministers' meeting in Punta del Este and the wrong outcome could dash hopes of a successful start to a new round of trade-liberalisation negotiations.

A clear-cut win for either side A clear-cur win no emer sine would be dangerous but the ministers are having difficulty in fixing a draw — the result that would offer the best chance of success for the new tasks round under the General Agreement on Tariffs and Trade

The dispute has now focused on whether trade in services — and other "new" issues such other "new" issues such intellectual property or was sketched out in informal

Japan tagging along, has said Last month they virtually that it will not take part in a agreed 2 formula for dealing new trade round that does not with services at the Punta del provide for rules being nego-tisted for trade in services. It has stuck to its "single-track" demand that services should be an integral part of the Gatt

thing but trade in goods. But have been ready to discuss a "double-track" approach, under which trade in services and the other new issues could be negotiated outside the Gatt the Gatt round.

line developing countries have formally backed the Brazilians Indians but many other countries share their fears that incorporating services into the new round the US intends dise imports to its being granted benefits for US purveyors of

The grounds for a deal have been cleared in the past six months. Brazil and India are no longer refusing to entertain the idea of negotiating on services in some forum. The US has conceded that the question of whether any agreement on ser-vices be incorporated into the Gatt contract can be decided once the agreement has been

tion of the link between the talks on services and the new Gatt round, neither side has budged. A US official described budged. A US official described on the Colombian proposal. The the speech this week by Mr Vishwanath Singh, the Indian Finance Minister, as a "door mittee on services and the Gatt:

the US Trade Representative, the trade negotiating committee will have to accept a double-track formula of some kind if to the new trade round at the he wants to return to Washing end of this week rests with the ton with a new Gatt round coningenuity of the Gatt word



Mr Paul Channen: leyal to single-track approach

and the Brazilian and Indian

Foreign Minister chairing the meeting, would have called a separate ministerial meeting no formally under the Gatt.

The two meetings, embr issued separate declarations, starting simultaneously, the new trade round and negotiations on services. The services chapter would have been organised by the Gatt director-general and would have followed the same timetable as that for the Catt would

In any case, Mr Yeutter angrily rejected the Commis-sion's initiative at the quadri-lateral meeting of trade minis-ters in Sintra, Portugal, earlier

An in Punta del Este, Mr Paul Channon, the British President of the EEC, underlined the Community's continuing loyalty of the single-track approach.
On Tuesday, however, Mr iamuel Yohn, the head of the Colombian delegation, pr with the Brazilians and Indians. Trade in services would be treated not under the Gatt con-

officially expressed their on the Colombian proposal the US would probably accept the US would probably accept the Colombian formula, if the ver, that Mr Clayton Yeutter, services committee reported to

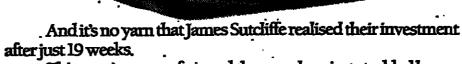
### **US, Taiwan to meet again**

aausaib unresolved trade questions.

High on the agenda are the pricing and advertising of US wine, tobacco and beer which wine, tobacco and beer winen continued the US both sides have agreed will be tariff treatment which the US both sides have agreed will be gives to products from imported for the first time by gives to products from November 1. Three previous developing countries such as rounds of talks on the question. Taiwan. Last year Generalised rounds of talks on the question. Taiwan. Last year Generalised which the US considers crucial System of Preferences status to marketing success, failed to applied to \$3.4bn worth

and Taiwanese negotiators Also on the agenda are volun-to meet this month in tary restraint agreements from Taiwan on exports of steel pro-

The talks may also cover the



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Lucy Kellaway reports on why £600m will now be spent to reduce sulphur pollution

### Britain bows to pressure over acid rain

AFTER a 10-year struggle by scien-prices. Even the more modest pro-tists and environmentalists, Britain posed investment will eventually has at last admitted that there is a lead to 1.5 per cent being added to strong enough link between the sul- electricity bills. phur from its coal-fired power stations and dead fish in Scandinavian lakes to justify spending money to

Generating Board (CEGB) and tant part, and some scientists have nounced plans to equip a quarter of suggested that nitrogen its coal-fired power stations with as harmful as sulphur. desulphurising equipment at a cost

Changes in forestry techniques
of 5500m. While the move was
have also added to acidity in the
greeted with disgust by environsoil Certain sorts of trees, includ-

something of a breakthrough.
For years the Scandinavians
have blamed Britain for the dead lish in their lakes and for their dying forests. The immediate cause of the damage is thought to be "ecid even if all sulphur emissions were rain" - often applied misleadingly cut today, acid would still go on to mean any air pollution - and the seeping into streams until the soil chief cause of acid rain is thought to has been neutralised, which may

Sulphur, in turn, comes mainly from coal-fired power stations, and the Scandinavians claim that much of the sulphur which lands on their soils has blown over from Britain. Until last week, the CEGB has consistently held that the evidence of such a link was too weak to merit such expensive action. Equipping all coal-fired power stations in the

The CEGB has been at pains to point out the other causes of acidity in the soil. Nitrogen, which is proackle the problem.

duced mainly from car exhausts.

Last week the Central Electricity has been shown to play an imporsted that nitrogen may be just

mentalists for being too little and ing conifers, directly contribute to too late, for the Government it was something of a breakthrough.

and ing conifers, directly contribute to too late, for the Government it was soid in the soil while changing methods of forestry have weakened the soil by removing ions.

The soil's acid content has built

up steadily since the industrial revolution. The CEGB argues that, even if all sulphur emissions were

While the CEGB is now grudgingly prepared to take a proportion of the blame for damage caused to lakes, it is still refusing to take resibility for the dying forests of Scandinavia, Germany and East Europe. Indeed, the evidence connecting sulphur emissions to damaged vegetation is patchy. Some re-cent findings suggest that the harm UK with desulphurisation equiping is caused in part by a punishing diment would cost C2.5bn, equivalent mate and in part by ozone, a gas to a 8 per cent rise in electricity created by the interplay of car ex-

haust formes and sunlight, and that and has vetoed EEC initiatives to sulphur emissions play little if any take still more radical measures.

The CEGB'S change of stance on lake pollution has been promted by recent research by the Royal Society, which is half way through a five-year programme into the cause of damage to lakes and streams. Sir John Mason, director of the project, says that, while the work is far from complete, man-made acidity including sulphur "makes a signifi-cant, if not a major contribution" to the health of streams.

However, the mechanisms are much more complex than once be-lieved, he says. The Royal Society has identified 12 different mechanisms in the soil that increase the potency of the sulphur and about 10 that reduce it, making it impossible to quantify the effect of any given reduction in emission of sulphur. In admitting that something must

still at work, the UK is well behind nearly all other European coun-tries. Even Poland, Czechoslovakia and the USSR, not normally known for their ecology-mindedness, have

signed an agreement obliging them to tackle the problem of acid rain by cutting emissions of sulphur by 30 per cent from the 1980 levels by 1992. Britain has consistently refused to join the "30 per cent club"

move has earned it the reputation as the dirtiest neighbour in Western Europe. As a producer of 3.7m tonnes of sulphur a year, it is running neck-and-neck with Italy as em Europe's most copious emitter. Neither does it keep the sul-phur to itself. The prevailing wind, from the south-west, brings in clean air from the Atlantic and takes away about 80 per cent of the sul-phurous output of British power stations to distribute it mainly over

While Norwegians symptimes talk as if the dead fish in the its fjords have all been killed by UK pollution, scientific efforts to share out the blame have not proved easy. Early estimates that made Britain the prime cause of Scandinavian acid rain have been reworked and recent evidence shows that Britain may be directly responsible for as few as one dead fish in 10. The other killers come from Eastern Eu-

rope or even further afield.
Sulphur emissions in the UK have already come down by nearly a quarter since 1980. This has been achieved without help from the Government and has been a joint result of recession and a shift away from heavy industry. However, this steady reduction has been a general phenomenon, and if the British re-

many's - which has so far reduced emission by less than 15 per cent ise the recession in the UK has been deeper than in Ger-

they regard as a belated, feeble response by the UK. The Norwegians who mobbed Mrs Margaret Thatch-er, the UK Prime Minister, in Norway last week were not impresse

which never pretended to be more than a figure selected for political reasons, is not nearly enough. The conference in Stockholm last month of the Nordic Council said that a reduction of 80 per cent would be needed to protect European soils, and it called for immediate action.

While few countries are likely to accede to the Nordic Council's demand, many are moving towards it. The conscientious model is Austria, which has already cut emissions in half since 1980 and is planning a total reduction of over 70 per cent by 1995. West Germany intends to slash its output of sulphur pollution by two thirds and is spending some \$2.5bn installing desi ent at all its power stations.

The Netherlands and Switzerland are also embarking on ambitious and expensive clean-up projects which will cut emissions by over

# market

By Kevin Brown

A NEW train designed to boost Britnin's share of the world export market for railway equipment yester-day became the first purpose-built iemonstration train to run on the British railway network.

The 10-coach International Train

was developed by British Rail Engineering Ltd (Brel) as a showcase for the railway supply industry.

The train includes a prototype electronic seat reservation system, computer operated information screens, a conference department, and a physical information

and a phonecard telephoned to the Celinet system. The coaches are based on the Mark III units in service with British Rail's inter-city high-speed trains. But a new construction process developed by Brel will enable rolling stock for virtually any of the world's railways to be built on the same production line.

This reduces the cost of production in the competitive railway

Mr Philip Norman, chairman of Brel, said coaches worth £18m had already been sold to China and Gabon. Negotiations with Mexico and India are also understood to be taking place on contracts worth a total of £32m.

# New train Government believes designed output remains flat despite Index despite Index.

INDUSTRIAL production jumped tenance appears to have been unit July, but government statisticians believe the leap is erratic and that output still remains flat in the UK.

Stockbrokers Wood Mackenzie in

tral Statistical Office said yesuanday, but this rise owed a lot to the recovery of North Sea oil productions and the state of the stat tion after a sharp dip in June.
Although the chemicals and beer Although the chemicals and beer industries showed a strong increase in production in July, officials feel

that the figures for a single month are unreliable and that overall pro-

been distorted, officials believe.

Energy output in July was 9.5 per cent higher than in August after district that a year earlier.

Output in the motor vehicle industries climbed by 3 per cent form nal adjustments, but over the the preceding period past three months output was 49 per cent lower than it the preceding three month period.

Output of the production industries in July rose by 3.4 per cent from the previous month, the Central Statistical Office said yester.

previous month, the CSO said yes-terday, but the latest three months production showed a gain of only 0.2 per cent over the previous threemonth period.

The Government's official fore

cast for manufacturing output growth this year in 3 per cent, but The summer months are usually after peaking in the second quarter a period of low energy output be- of 1985 output declined in the seccause of maintenance activity on ond half of the year and has since North Sea oil rigs. This year main-

### Wapping offer deadline

MR RUPERT MURDOCH'S News 250m to between 255m and 250m

The offer increases compensation Snn, News of the World. The Times for 5,500 sacked print workers from and The Sunday Times.

International has imposed a 21-day
International has imposed a 21-day
This extra money is available bedeadline on the print unions for acceptance of an offer intended to setto the unions of its old plant in
the the 34-week dispute over its new Gray's Inn Road, London, is withprinting plant at Wapping, east drawn at the unions' request.

London. News International publishes the

EMENS

### **Mezzanine Capital Corporation** Limited

Notice of Annual General Meeting

t declare a final chidend of USS0.4117 per Pa Stere to be payable as from 10th October, 1986.

To explore Sir Nicol Mobbs on a Director

the Liveuccus or as terminariament. As Special Business, to consider and if thought fit, pass the following mechation which will be proposed as an ordinary resolution:

"That, for a period ending on the other of the vest Annual Garneral Healing of the Company, the Company be and in healiny authorized to make equity or other hevestments in any company in which any of M. M. Heigern, J. L. Naz, and A. Schechar have invested or propose to livest, provided that the aggregate amount of such investments made by the said Direction is any one company does not exceed 350,000,000 and the Company in investment is such company, and provided that such investment by the Company is investment in such company, and provided that such investment by the Company is investment for very profit define said Directors shall not be obliged to account to the Company for very profit defined treatment, such authority shall allow and emble the Company for very profit defined the statement such on the said nested noted that the treatment is a set or an emble the Company to the transport place.

ed with or to the order of a Paying Agent will not be ref

#### NOTICE OF EARLY REDEMPTION LLOYDS EUROFINANCE N.V. (Incorporated in The Netherlands with limited hability) U.S.\$250,000,000 Guaranteed Floating Rate Notes due 2004 Guaranteed on a subordinated basis by

LLOYDS BANK PLC (Incorporated in England with limited liability)

NOTICE IS HEREBY GIVEN that in accordance with Condition 6(b) of the Conditions of the above Notes (the "Notes"), Lloyds Eurofinance N.V. will redeem all of the Notes at their principal amount on 20th October, 1986.

Interest due on such date will, as norified by advertisement of 18th April, 1986, be payable against Coupon No. 5, and payment of the principal amount will be made upon presentation of the Notes (with all unmarured Coupons attached) at the offices of the Paying Agents mentioned below.

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Bunque de Commerce S.A., 51/52 Avenue des Arts, B-1040 Brussels. Chase Manhattan Bank Lunembourg S.A., PO Box 240, 47 Boulevard Royal, Luxembo



18th September, 1986

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### **UK NEWS**

Michael Cassell reports on the Social Democratic Party conference

# warning to Tories, Labour

DR DAVID OWEN, the Social servatives were allowed to combine half years ago out of frustration together to prevent at least a third with the existing political order is of the electorate from having their in a positive and confident mood. cal parties that the SDP/Liberal Alliance would hold the balance of power at the next general election. He said it would force a second poll

if voters' wishes were ignored. Dr Owen, in a well received speech which marked the end of the SDP conference in Harrogate, Yorkshire, emphasised the Alliance compaign to be accepted as an established third arm in British poli-

by was set for a new brand of politics based on partnership and co-operation and which rejected conflict.
While Labour "stirred up envy, the
Conservatives glorified meanness,"

Dr Owen attacked the Government for its handling of the econostructive dogmatism which had helped drag down the UK to 19th

He said that national unity would be frustrated if Labour and the Con-

r dead

100 miles (100 miles (

Corpor

gramme) if talks were not held. Dr Owen said that the Alliance might end an election with the largest number of votes but not the Labour or the Conservatives could selves in third place. He added: "If they want to do a shabby deal and let the other govern as a minority, let them do it and risk the ion. They will pay a heavy price."

Dr Owen stressed the principal objective of the Alliance would be in order to beat poverty and stim-ulate economic revival. The right to

### Owen's election Party sets out on bumpy road towards power-sharing THE SOCIAL Democratic Party

to power sharing.
After five days of smoothly con-

structed harmony, propaganda and debate, the party born five and a

cial contribution towards consolidating the joint bid by the SPD and top table of British politics. Dr David Owen, on whom policies and personalities centre, has good

reason for being pleased at the week's proceedings. The party con-firmed many of the policies it sees as central to the Alliance's electors ential conflict with its political

than a later general election, of which the SDP is now convinced, that the selling of SDP policies to

yesterday left Harrogate on the the Alliance leaders to sort out if bumpy road which it hopes will lead they are to have any chance of conthe Alliance leaders to sort out if the areas of any post-election policy compromise. Mr Kinning the voters that they can of the areas of any post-election policy compromise. Mr Kinnock would be told that a defence fer a genuinely unified, alternative formula to the other two major par-

> firmed that, no matter how much But with Dr Owen now apparently convinced that the next election produce no overall majority share of the vote in line with recent electoral tests some of the emphasis has swung to consideration of

trump card.
This week's crucial debate on the em (PR) was an essential preliminary to any post-election bargaining, and it was by no means clear that it would go the way the leadership wanted. Demands that the Alliance should, as a pre-condiment, insist on the introdu

talks with Mrs Margaret Thatch

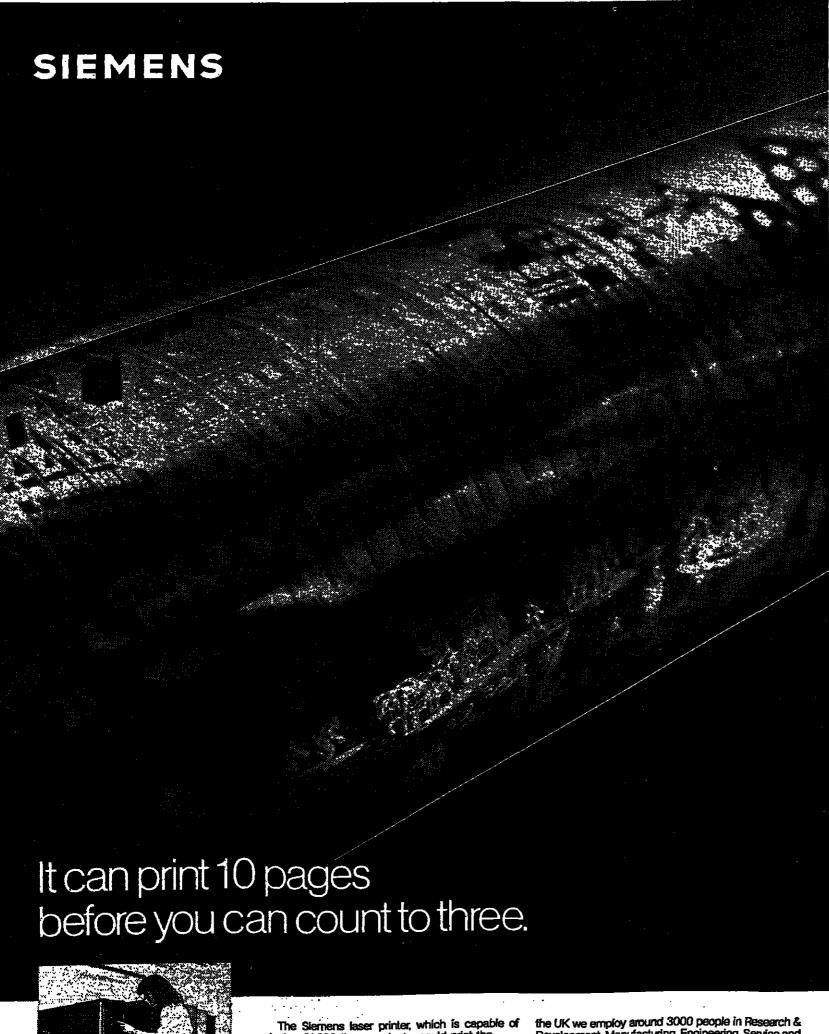
how the partnership will play its

policy which kicked the US out of Britain and threatened to damage the Atlantic alliance could not be tolerated while Labour's extrava

leaders accept they would find it harder to find a working compromise and fend off questions about

Talks with the Tories would cen the implementation of a voting sys-tem which more fairly reflected the

But not all the Alliance's policies are yet in place. Despite repeated has yet to be fully faced. The surprisingly positive response from Paris about the potential for Anglo-French defence co-operation raised hopes about the chances of a Euro given the Alliance leaders a valuable breathing space.





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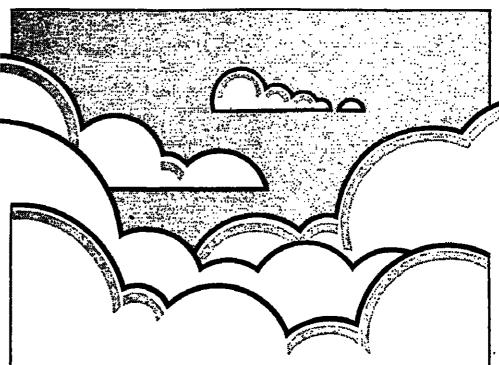
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Underwriting Account Balances  – 2nd Year a/c 1985  – 3rd Year a/c 1984	£7.64M £5.87M	£ 6.16M £ 4.96M
Claims Paid	£1493M	£14.08M
Interim Dividend payable 3.11.86	1.85p	1.417p (Adjusted for 2 for 1 Bonus issue M.ry '86)
Cost of Interim Dividend	£0.40M	£0.31M

Copies of the Interim Statement are available from: The Secretary, Trade Indemnity House, 12-34 Great Eastern Street, London EC2A 3AX. Trade indemnity plc. Underwriters of Credit Insurance since 1918.



### High risks of grey market in pre-issue shares

CALL IT the grey market, call it the pre-market, or call it "when issued dealing" – it is, in the words of one part-paid, at 50p). pre-market, or call it "when issued dealing" - it is, in the words of one London Stock Exchange official,

The official was talking about the practice of offering to quote prices in new issues of UK company shares before dealings officially start. Its latest manufestation appeared when Cleveland Securities. not illegal - though stock exchange a licensed dealer, began two-way rule 535 forbids it to member firms. quoting in shares in TSB group, the

Never mind the fact that the shares will not really exist until let-ter-dealer brokers who make mar-ters of acceptance are sent to appli-kets in advance of an issue to assist cants (probably on October 7), the investment banks which have tak-day before official dealings start. Yesterday morning Cleveland ban-That, however, is light years re-Yesterday morning Cleveland han-That, however, is light years re-dled as a principal dealings in at moved from the grey market in is-dred frequently active in the grey

In the US such dealing in equities is almost entirely prohibited. Securities laws dating back to the 1930s ban trading in securities in advance of listing approval by the Securities and Exchange Commission.

In London, in fact, the real home bank soon to be floated on the stock of grey market dealing since the mid-1970s has been in Eurobonds. There, it involves the so-called in-

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Nick Bunker looks at dealing on the fringe

revolves almost entirely around Cleveland, operating with 18 dealing and cherical staff out of offices near Old Street station, on the City In the UK grey market dealing is of London's northern fringe.

Two or three other London licensed dealers - such as Prior Harwin and Puma Securities - have quoted two-way grey market prices. But only Cleveland calls itself a major player in what it prefers to call

the "pre-market."
Founded in August 1984, by two
chartered accountants and a solicitor, it now claims a private client

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market). About 70 per cent of its business is now in the grey market, and it avoids over the counter stocks, according to Mr Harvey Lawrence, its finance director and

Who are the grey-market customions and professionals, seeking to buy early to ensure a weighting in a popular share, says Mr Lawrence. Otherwise, they Morgan Grenfell's flotation this

in TSB's case, no firm notion of how the issue will be allocated.

original seller is never allocated shares. Then, it would have to buy in the after-market - possibly at a

Morgan Grenfell's flotation this could be investors who expect to be allotted shares and want a guaranteed premium over the offer price. It is, says one grey-market maker "a game for the professionals. It wouldn't be right for the man in the street." For the market-maker, the street." For the market-maker, the street."

\*\*Summer showed what rights are run.\*\* has thered clear of the couldn't when the merchant bank's more than a fringe if the couldn't when the merchant bank's more than a fringe if the couldn't when the merchant bank's more than a fringe if the couldn't what rights are run.\*\* has thered clear of the couldn't when the merchant bank's more than a fringe if the couldn't be right for the man in the street. The couldn't be right for the man in the street. The couldn't be right for the man in the street. The couldn't be right for the man in the street. The couldn't be right for the man in the street. The couldn't be right for the man in the street. The couldn't be right for the man in the summer showed what rights are run. has thered clear of the couldn't be right for the man in the summer showed what rights are run. has thered clear of the couldn't be right for the man in the summer showed what rights are run. has thered clear of the couldn't be right for the man in the summer showed what rights are run. has thered clear of the couldn't be right for the man in the summer showed what rights are run. has thered clear of the couldn't be right for the man in the summer showed what rights are run. has thered clear of the couldn't be right for the man in the summer showed what rights are run. has thered clear of the couldn't be right for the man in the summer showed what rights are run. has thered clear of the couldn't be right for the man in the summer showed what rights are run. has thered clear of the couldn't be right for the man in the summer showed what rights are run. has the result of the couldn't be right for the man in the summer showed what rights are run. has the result of the result of the run are run. has the result of the run

risks are big - since he must take a went down the pan," says Cleve-position in a stock with no clear land's Mr Lawrence, who confessed idea of institutional demand - and, to lastes of £8,600 on the issue. That was small beer compared

with what Harvard Securities suf-At worst, the market-maker could fered when British Telecom came agree to buy (say) 50,000 TSB in the to the market in 1994. It says it lost grey market, then sell them on 50,000 in a grey market when and find itself massively short if the three big investors (two of them offthree big investors (two of them off-shars) allegedly failed to honour selling orders. Competitors reckon ses were a lot bizzer.

At any rate, Mr Tom Wilmos, its chairman and managing director, says that, since BT, the company has steered clear of the grey marmore than a tringe activity.

If a substantial client ask

grey-market quote in TSB, Harvard might supply it, he says. So far that

### Mercury to provide telecom service on cable TV network

edge of the City of London by next dustry in the UK.

work which will offer up to 30 chan- come from retained earnings.

cable company, said yesterday that ELT was 'the first cable system to have negotiated detailed arrange of ments to bring the full range of Mercury voice and data communi-Mercury voice and data communi- British Telecom yest cations to business and domestic launched a business inform

Mercury does, however, have an agreement with Clyde Cablevision in Glasgow, Scotland, and is talking to a number of other cable operators about offering a telephone service in competition with British Telecom.

ELT is the first cable company to be awarded a licence by the Cable

MERCURY Communications plans Authority, and Mr Jon Davey, director use a cable television network to offer a local telephone and data service in London's Docklands and the nancing as a boost for the cable in-

The financial package was put to-Mercury is a founder shareholder gether by Robert Fleming, the mer-of East London Telecommunica-chant bank, and includes tom in or-tions (ELT), the cable company dinary shares, a syndicated bank which yesterday amounced it had loan totalling thm and a stability fa-successfully raised the £18m in ex-cility of £3m. The rest of the £35m ternal finance needed to build a net-in capital needed for the project will

> Work will begin later this year on cabling the ELT franchise area. The first services will be provided early next year, and the network is due to

Mercury does, however, have an major move into providing business

### Accountants to set up self-insurance scheme

BY LIONEL BARRER

SEVEN of the world's major ac-countancy firms have agreed to try to set up a mutual self-insurance thy has led to the discussions about against the flood of lawsuits claims which would operate worldwide.

The firms involved are Arthu

ket, which has refused to provide high levels of cover to accountancy

to protect themselves a mutal self-insurance scheme

Several firms, including Arthur Andersen, Peat Marwick, Arthur Andersen and Arthur Young, are Young, Coopers & Lybrand, Ernst contesting law suits claiming tens & Whinney, Dekoitte Haskins & of millions of pounds in damages. Sells and Touche Ross. Price Water-The claims, particularly in the US, house, the other member of the Big of millions of pounds in damages. Sells and Touche Ross. Price Water-The claims, particularly in the US, house, the other member of the Big have unnerved the insurance mar-Eight, has declined an invitation to join the group, preferring to seek its own solution to the professional

Mr John Bullock, senior In the UK the accountancy pro-fession has failed to persuade the Government to limit professional li-scheme was at a very early stage. Government to limit professional is scheme was at a very early stage.

ability claims although it is press"It will be four or five years before
ing for a change in the law so that
auditors would be only partially is
against our existing cover," he said.

### **NOTICE OF REDEMPTION GENERAL MOTORS ACCEPTANCE CORPORATION** OF CANADA, LIMITED

RE: 974% Debentures Due October 15, 1988

Pursuant to the terms of Section 13.01 of an Indenture dated 25 of October 13, 1976 between General Motors Acceptance Corporation of Canada, Limited and Canada Permanent Trust Company (now The Canada Trust Company) which provides that at any time on and after October 15, 1981 the Debentures may be redeemed at the option of the Company, notice is hereby given that General Motors Acceptance Corporation of Canada, Limited intends to redeem and hereby calls for redemption on October 15, 1986 all of its 94% Debentures due October 15, 1988 (the "Debentures") at a price of 100% of the principal amount together with interest on such principal amount accrued and unpaid to the said date of redemption. There is CAN. \$16,283,000 principal amount of Debentures outstanding as of the date

Interest payable on October 15, 1986 on the Debentures will be paid in the usual manner.

Payment of the redemption price will be made upon presentment and surrender of the Debentures and all unmatured coupons pertaining thereto at any of the following paying agencies:

MIDLAND BANK LIMITED P.O. Box 181 60 Gracechurch Street London, EC3P 3BN England

DEUTSCHE BANK AKTIENGESELLSCHAFT Central Office P.O. Box 2631

CREDIT LYONNAIS Central Office 19, Boulevard des Italiens P.O. Box 29

Banque Beuxelles Lambert 5.a. Avenue Marnix, 24 1050 Brussels

Banque generale du PO. Box 1906

SWISS CREDIT BANK Paradeplatz 8 Ch. 802 i Zurich, Swin

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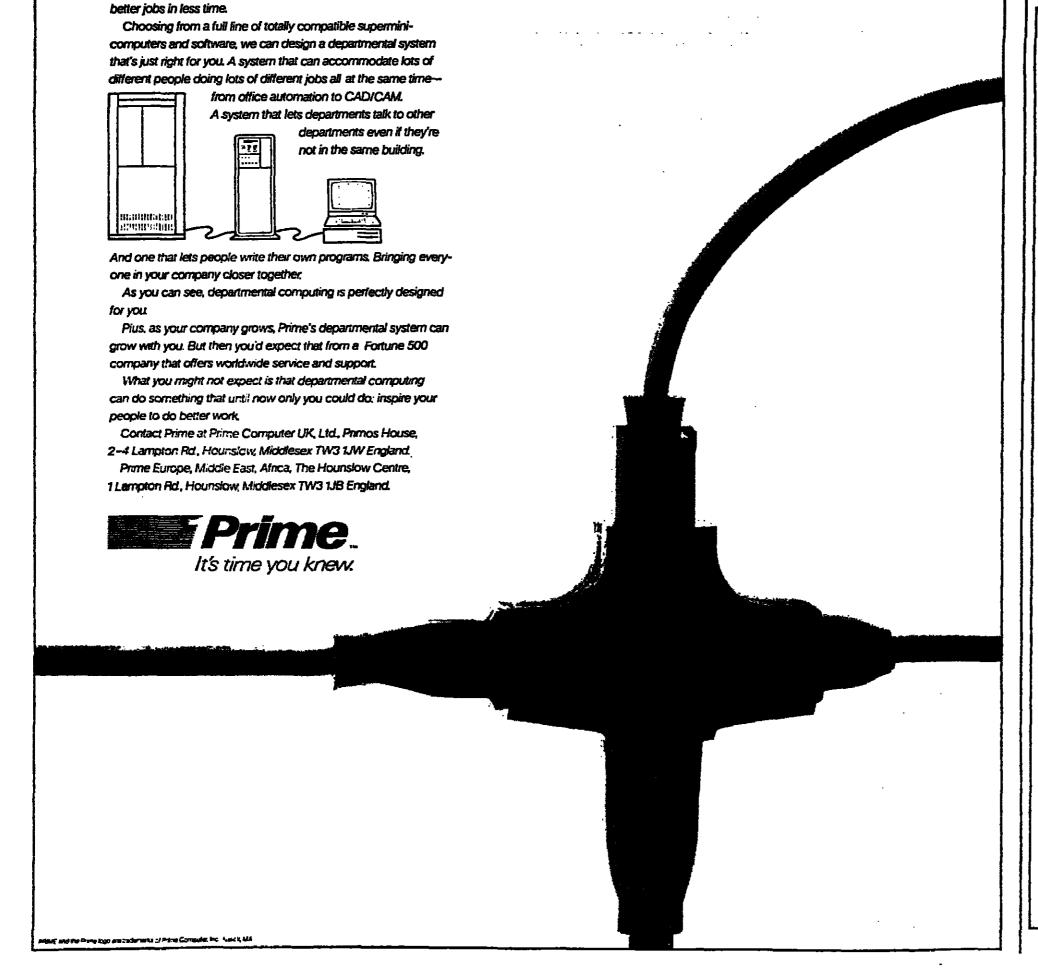
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ALGEMENE BANK

NEDERLAND N.V.

The amount of any missing unmatured coupon (CAN \$97.50) will be deducted from the redemption price. Any amount so deducted will be paid against surrender of the said coupons within a period of ten years from October 15, 1986. Interest will cease to accrue on the Debentures from and after October 15, 1986. Dated at City of Toronto this 10th day of September,

GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED.



# Mercedes hopes won to be leading truck importer

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LNCE

MERCEDES-BENZ, the world's truck market monthly sales charts largest truck-maker, intends to es-tablish itself firmly as the leading ford firmly to fourth. importer of commercial vehicles into the UK, according to Mr Hans truck operations with those of Ive-

market leadership either from its current holder, state-owned Leyland Trucks, or the newly formed Iveco Ford group, said Mr Tauscher.

Trucks were registered under the liveco Ford name for the first time.

He was commenting on the potential structure of the UK heavy truck market in the light of the gap which will be left by the withdrawal by General Motors of Reifford from by General Motors of Bedford from the heavy truck market at the end sis account for 18.23 per cent of the market.

at next month's motor show in Bir is expected to be strengthened

Ford to third place in the heavy horsepower.

Tauscher, managing director of the company's wholly owned UK subsidiary.

in August, with the bulk of Ford and Iveco registrations still listed

of this year.

Mr Tanscher's remarks came at the unveiling of a new range of 38-tonne tractor units, to be launched ny's position in the 38-tonne sector is expected to be strengthened

Bedford will leave a sizable gap in the medium and heavy truck market. In the first eight months of this year it sold 3,744 trucks of over 3.5 tonnes, representing 10.3 per cent of the total. Leyland Trucks, with 6,362, had 17.5 per cent.

Mercedes has twice demoted fund to third place in the heavy truck.

### Artificial intelligence centre for Cambridge

BY DAVID THOMAS

SRI, the California-based research and consulting organisation, is to open a research centre on artificial intelligence in Cambridge, its first will come from the Alvey Directo-

al researchers in artificial intelli- lips and Shell. gence, is to run the centre in colla-

ty computer laboratory. three years. It estimates that the world artificial intelligence commuon processing natural languages nity at present totals less than such as English in ways that com- 2,000.

research centre outside the US.

SRI, which claims to have the British Aerospace, British Telecom, world's largest group of post-doctorHewlett Packard, ICL, Olivetti, Philips and Shall

SRI hopes that its Cambridge reboration with Cambridge Universi- search team will build up to 20 after three years. It estimates that the

such as English in ways that computers can understand.

Funding for this project will fall "SRI intends to develop a new under the Alvey Programme, the world-class, leading edge centre at Government-backed research programme for research into informations."

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interest will cause to accrue on the Bonds called for redemption on and efter 1st October, 1986, and Bonds so presented for payment should have attached all Coupons maturing after that date.

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£1,000 Bonds	8892	8703	8855	9061	9074	9095
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£500 Bonds	8337					
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£500 Bond	8172					
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£500 Bond	7596					
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£1,000 Bond	8761					
				October, 1	981	
E100 Bonds	2236	3432	4229	6081		:
			12	t April, 19	11	
£100 Bonds	10	1929	3729	5826		
				October, 1		
£100 Bonds	3884	4314	4388	6123	6687	•
£500 Bond	7503					
			10	t April, 19	<b>50</b>	
£100 Bonds	2733					
			1st	October, 1	979	
£100 Bonds	3117	4824				
			1:	t April, 19	76	
£100 Bond	4830					
			1:	t April, 19	77	
£100 Bond	4316					•
			Tet	October, 1	975	

12.00.000
EUROPEAN UNITS OF ACCOUNT
8,92, 1975-1988 BONDS
In accessive with paragraph "Preparagraph of the Terms and Conditions
of the Bonds, notice is bereby given
that Icoland will prepay on October 24,
1985 the total amount remaining outstanding of the above-mentioned Roads
(i.e. EUA 7.560.000) et 100.35% of
their principal amount. and premium
the on October 24, 1986 and reimbursement of principal will be stade
in accordance with the terties and
conditions of the Bonds.

Interest will case as the control of

SA. L Lucambourg. September 18, 1986.

BANGUE NATIONALE DE PARIS

US\$ 300 million Floating Rate Notes 1985/2885 The amount of interest for the interest period beginning on April 17 1986 and ending on October 17 1986 as fixed by the reference agent will be US\$321.87 per US\$100,000 notes, being a rate of about 6.53482 per cent.

DIMOSIA EPIHUREIS ELEKTRISMOU (Public Power Corporation) ECU denominated Finaling Rate Notes due 1967

Notice is bereby given that for the interest paried commencing September 19, 1986 the ECU Notes will beer interest at the rate of 75,% per annum. The interest payable on December 19, 1986 against Coupen No. 5 will be ECU 18.958333 per ECU 1,000 nominal. ORION ROYAL DANK LTD

18th September, 1986

Dfls 25.000.000.--1014% bearer notes 1980 due 1984/1987

N.V. Nederlandse Gasunie

Notes belonging to Redemption Group No.4 will be redeemed on and after

**OCTOBER 15, 1986** 

in accordance with drawing effected on September 5, 1986 pursuant to the Terms and Conditions, at

> Bank Mees & Hope NV (Central Paying Agent) in Amsterda

Bank Mees & Hope NV

Kredietbank S.A. Luxembourgeoise in Luxemburg

Algemene Bank Nederland (Schweiz) in Zürich

Swiss Bank Corporation September 18, 1986

FINANCIAL TIMES

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REPUBLIC OF FINLAND

8,712 to 10,711

These boads will be redeemable at PRF 5,000 at from October 15th. 1986. In the process of the process of the process of the process of the location of the loc LUXEMBOURG) S.A., LUXEM-BOURG, BANGUE BRUXELLES LAMBERT SA., BRUXELLES BANGUE PARIBAS, PARIS DEUTSCHE BANK A.G., FRANK-FURT.

Contracts and Tenders

NATIONAL COMPANY FOR THE SUPPLY OF FOOD PRODUCTS (ENAPAL)

Notice of International Invitation to Tender No. 21/86

The National Company for the Supply of Food Products "ENAPAL" is launching an international invitation to tender for the supply of 2,000 tonnes of coffee type 'vert robusta" (green robust), with the usual conditions applicable, as set out in the specifications.

Offers must be sent in a double sealed envelope to: ENAPAL, 29 Rue Larbi Ben M'Hidi, Algiers. The outer envelope should be strictly anonymous and should read "Appel a la Concurrence International No. 21/86 ne pas ouvrir."

The closing date for receipt of tenders is fixed at four (04) days from the date on which this notice is pub-

Tenderers shall be bound by their offers for a period of fifteen (15) days from the closing date.

Clubs



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### **TECHNOLOGY**

### GEC bridge for a factory's 'islands of automation'

BY GEOFFREY CHARLISH

design and test automation arm of the General Electric Company in the UK, is attacking the computer-integrated manufacturing (CIM) market with a networked series of products for the electronics industry. MI is working in concert with GEC the reduction of work in Electrical Projects, the group's automation specialist company. automation specialist company,
mainly known for its FAST
(factory automated systems
(factory automated systems
technology) development.

MI's new offering is called
MIDATA (Marconi Integrated
Design and Test Automation),
based on an "open" communi-

is, or will be, up against the big US-based computer-aided design (CAD) companies like Intergraph. Computervision, Comma and IBM. Racal in the bear introduced before board (PCB) design stations have been introduced. The

The CAD industry already offers software links between electronic circuit design, layout and circuit simulation, and links with handlers and testers have been announced. From the other end of the board manufacturing chain the big automatic test equipment (ATE) companies like Schlomberger-Factron, Teradyne, Genrad and Zehntel are working on integration, from test back towards design.

The idea behind CIM, which many experts now see as the only way forward for Western manufacturing, is to link together the "islands of automation" that have sprouted in both electronics and general engineering factories.

On an electronics production line, design, manufacture and test may all have been "computerised" but there is usually no communication between them, often because the three kinds of system come from three different suppliers specithem, often because the different system come from three different suppliers specialising respectively in CAD/CAE (computer-aided design and engineering), in machines that insert components into circuit boards, and in automatic test equipment.

MARCONI INSTRUMENTS With CIM, these three areas (MI), the printed circuit board and others are able to work

Marconi, which made some cations network (that is, one early announcements about networking in 1984, is not alone manufacturers can be connected in working towards the integrated electronics factory and stations and testers that have,

Several new printed circuit board (PCB) design stations have been introduced. The Intergraph.
Coming and IBM. Racal in the UK is also moving in this direction. None of them however, seems to be as thoroughly committed to the "one-supplier CIM" idea as GEC.

CAD industry already which can then be sent to other which can then be sent to other which can then be sent to other and test

program generation. of workstations is the £60,000 to £80,000 model 140. This is based on the Digital Equipment Company's VAX 2 computer, a 32 bit machine which allows highly complex design tasks to be carried out, such as the automatic routing of the connections on a multi-layer board and the placing of components.

Another new workstation, the model 120, effectively links electronic design and test by automatically generating a suitable test program from data fed in from design software. It costs about £10,000. On the latest ATE unit, model

540, boards containing most semiconductor technologies, in mixed analogue and digital form, can be tested at high speed. The entry price is about £100,000.

Some links in the MIDATA chain, like automatic inspection, have yet to be made. Even so, GEC is clearly set to take a

David Fishlock, Science Editor, looks at Britain's move to clean up emission from coal-fired power stations

### The promise behind acid rain research

BEHIND last week's announcement that Britain is to spend about £600m on new technology rain," when in 1972 it related to take sulphur out of the evidence for the increasing exhaust gases of three of its acidity of rain in north-west biggest coal-fired power stations Europe, and in Sweden's rivers, iles the latest results from a to declining productivity in the large and still-growing international research programme— and a promise.

The analysis of spend to the problem known as "acid to the problem known as "acid to the problem known as "acid rain," when in 1972 it related to the problem known as "acid rain," when in 1972 it related to the problem known as "acid rain," when in 1972 it related to the problem known as "acid rain," when in 1972 it related to take problem known as "acid rain," when The research programme

correct a grossly over-simplified picture of sulphur as the chief of air pollutants offered a culprit in water pollution problems. The promise was that, if and when sound science showed convincingly that counter-pollution measures were needed by the Central Electricity Generating Board, action would be taken.

The CEGB is now persuaded was, and still is, necessary to correct a grossly over-simplified picture of sulphur as the chief

Electricity Generating Board, action would be taken.

The CEGB is now persuaded that some of the sulphur falling upon Scandinavia — albeit much less than was being claimed — comes from its power stations. It has undertaken to fit flue gas desulphurisation (FGD) to 6,000 MW of its coal-fired plant, to ensure that even if the total of coal burned increases to meet an expanding demand for electricity, Britain's sulphur emissions will continue to decline for the rest of this century.

Economic Co-operation and Development) study in the mid-

recirculation of emissions from Europe, from North America, and from natural emissions of sulphur compounds by phyto-plankton in the oceans, accord-ing to Dr Peter Chester, the director of the CEGB's tech-nology, planning and research division responsible for the

More-and better-research into falling fish stocks in Scan-dinavia and Scotland showed that this was not simply a function of increasing acidity. If a lake was high lu calcium it If a lake was high in calcium it would remain productive even if quite acidic. By 1980 aluminium leached from acid soil by acid water was clearly identified as the main toxic agent. Sweden meanwhile had begun to dump lime into lakes to raise the calcium level.

Recent research in Scandinavia suggests that a reservoir

navia suggests that a reservoir of sulphur in the soil is crucial in preventing toxic altiminium compounds from washing out, to poison streams and lakes, poison streams and lakes, Simply increasing or decreasing the amount of sulphur falling upon Scandinavian soils will not have a proportional effect on the fish. On the other hand, the soil can be dangerously denuded of sulphur by domestic

actions such as large forestry operations. In 1988, amid protests that

research had already proved Britain "guilty," the CEGB and British Coal announced a 25m study "to determine what changes would be brought study "to determine what gramme, independently manchanges would be brought aged under the aegis of about in water chemistry and fishery status in Norway and Royal Academy of Science of Sweden by given levels of seden, and the Academy of reduction of man-made sulphur Science and Letters in Oslo, continues and "remains as

sulphur for many decades, pos-sibly for 150 years. A very important factor in its soil acidity has been its own afforestation programmes, in-volving the planting of Norway Spruce with its special ability to continue supplying

to capture sulphur.

Even if acid deposition ceased overnight, the problem could take decades to disappear. But armed with a basic understanding of the problem, two types of action could accelerate the process of neutralising the acid soils. One is to see that the sulphur input, not just from Britain but from

all sources including domestic forestry practice, continues to fall. The other is a programme of soil neutralisation with such alkalis as lime.

The joint res

reduction of man-made sulphur deposition."

Partiy through this new research but still more because of new Scandinavian studies, the CEGB says it is convinced that Scandinavian solls have been accumulating acidity and sulphur for many decades, possibly for 150 years. A very important factor in its soil excidits have been accumulating acidity and sulphur for many decades, possibly for 150 years. A very important factor in its soil excidits have been accumulating acidity and sulphur for many decades, possibly for 150 years. A very important factor in its soil excidence and Letters in Oslo, continues and "remains as valid today as when the programme was launched in 1983," says Dr Chester. But the domestic research effort on forest and cromtimes and "remains as valid today as when the programme was launched in 1983," says Dr Chester. But the domestic research effort on forest and cromtimes and "remains as valid today as when the programme was launched in 1983," says Dr Chester. But the domestic research effort on forest and cromtimes are valid today as when the programme was launched in 1983," says Dr Chester. But the domestic research effort on forest and cromtimes are valid today as when the programme was launched in 1983," says Dr Chester. But the domestic research effort on forest and cromtimes are valid today as when the programme was launched in 1983," says Dr Chester. But the CEGB is also hacking a new domestic research effort on forest and cromtimes are valid today as when the programme was launched in 1983, "says Dr Chester. But the CEGB is also hacking a new domestic research effort on forest and cromtimes are valid today as when the programme was launched in 1983, "says Dr Chester. But the programme was launched in 1983, "says Dr Chester. But the programme was launched in 1983, "says Dr Chester. But the programme was launched in 1983, "says Dr Chester. But the programme was launched in 1983, "says Dr Chester. But the programme was launched in 1983, "says Dr Chester. But the programme was launched in 1983

The film programme is a big The film programme is a big boost for research Nere has been conducting since the early 1970s, principally through its Institute of Terrestrial Ecology, near Edinburgh, and its Institute of Hydrology, near Oxford. This has demonstrated relatively high levels of acidity in Scottish mists, up to 10 times the acidity of rainwater caught by more traditional means at by more traditional means at ground level. It has also shown that trees take up this

The good news is Seiling technology

likely to focus on the effects this cocktail of atmospheric pol-

lutants is having on the health

of the forests.

The problem is getting increasingly complex, says Dr Michael Unsworth, a senior scientist from Nerc's Institute of Terrestrial Ecology. He says ft is hard to quantify the improvement any given reduc-tion in emitted pollution may bring. "Every time we try, something new comes to light." Whatever turns out to be the cause of the "acid rain" probiem, its roots lie much deeper than the emissions of coal-fired stations, perhaps as far back as the start of the Industrial Revolution. Research has industry and the decline in freshwater purity, but no link between the impurity and any

### 3D information put on the map

MAPPING INFURMATION can be obtained quickly in "three dimensional," integrated form using a new system from Wild Heerbrugg (UK) of Chatham, Kent (0634

64471).

System 9 is aimed at public utilities, local authorities and big companies with large sites and facilities. It is based on small computers from Sun Microsystems with processing power previously obtainable only from minicomputers. Using map data entered from a variety of sources, System 9 produces comprehensive special images on the

VOICE, VIDEO and personal computing can be handled by a desk-top system from Data-point, the Texas-based data



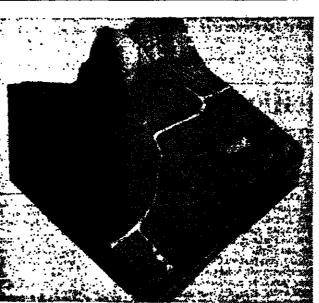
(London office: 01-459 1222).
Based on the IBM or Vista
personal computers, Minx
(muiti-media information netmuni-media information net-work exchange) has separate processor, display / camera unit and keyboard, with a key-pad to choose the mode of operation.

Thus the user can, for example, process data and send it to emother Minx, hold an ordinary phone conversation, make a video telephone call, or send graphics by helding originals up to the

grated services digital net-work) is introduced in

Datapoint has also announced that Occomics Communications of the UK will incorporate Minx into its own line of video conferencing equipment. Then, a Codec (coding/decoding unit) will be used to compress the data, allowing it to be sent over standard 64,000 bit/sec digital telephone channels.

LATTICE LOGIC: A report on this page on September 10 wrengly implied that Lattice Logic, the computer sided design company, has head-quarters in California. The



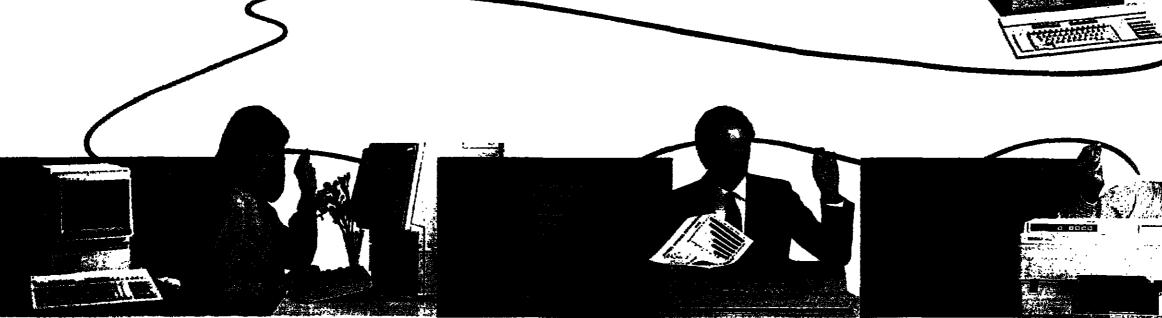
### **Powerful** demand for mainframes

MAINFRAME COMPUTER
power demand will continue
to increase over the next 10
years at an annual average
rate of 32 per ceint, according to Pedder Associates, the London market research com-pany (61 878 9111).

Computer power person in MIPS (million of operations a second). Pedder says that some 4,600 MIPS of mainframe power were delivered to UK users during 1985, a figure likely to increase to 19,500 by 1990 —in tpite of the growing use of personal computer.

But prices are coming down. A MIP costs about £264,000 new but will drop to £76,000 by 1890. In 1975 a MIP cost £1.5m.

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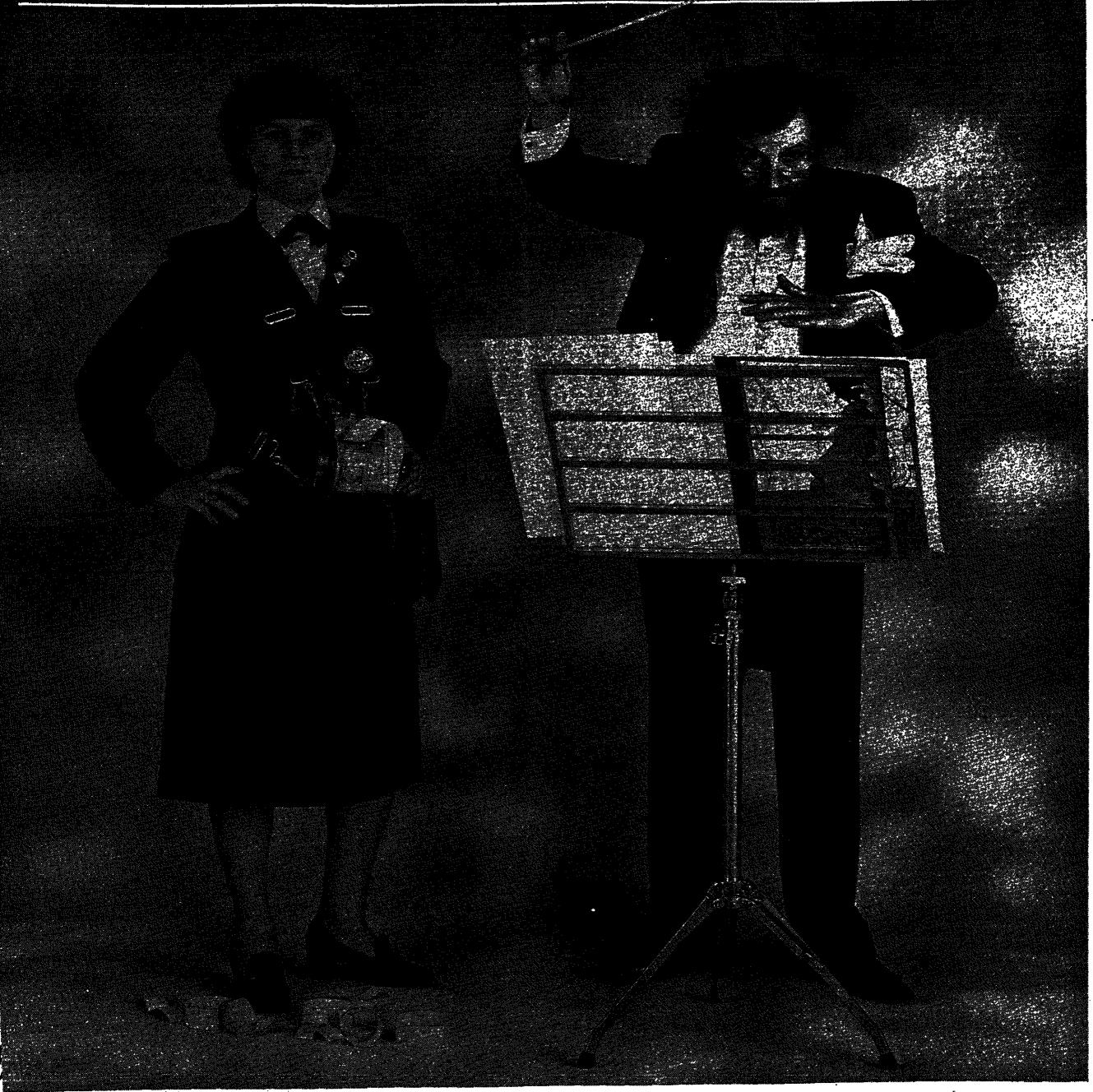
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and a leaflet answering some of the questions you may have. Furthermore, your interest in the British Gas offer will

Furthermore, your interest in the British Gas offer will have been registered. This does not commit you in any way. But it will ensure that you are sent further information and a prospectus when it's published, as well as an application form which you will need if you decide to apply for shares.

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### MANAGEMENT: Marketing and Advertising

CHRIS DE BURGH, a singer of romantic ballads, opened a 60date European tour at the Coli-seum in St Austell, Cornwall, last Thursday night. It was an emotional experience for his many fans — and for the execu-tives of ITT, the American electronics company, which plans to invest £500,000 in the project.

ITT is in the process of launching its Digivision range of digital televisions. Its most important European market is West Germany. Chris de Burgh is one of the best-selling foreign recording artists there. He is also reliable, respectable and appeals to the age-group around 30, which might well be interested in buying a digital television.

So the tour is entitled "ITT Digivision presents Chris de Burgh " and the company name will be prominently displayed will be prominently displayed in the concert halls, in the programmes, on the merchandising, in the advertising. Local dealers will be invited along to the performances, and Chris de Burgh will meet some of them after the show. With one national screening for a 30-second TV commercial at peak time costing up to £130,000, ITT does not think it is being exploited.

Neither does Chris de Burgh. His immediate gain from the link may be only a digital telerisk may be only a digital relevision set, but the sponsorship goes some way to meeting the horrendous costs of a major tour. He travels with an entourage of almost 50, with weekly bills of around £100,000. Thanks to ITI's contribution Thanks to ITT's contribution.
Chris de Burgh, as well as selling more records, might even make a profit from his three-month swathe through Europe.



## **UK** sponsorship at last goes pop

BY ANTONY THORNCROFT

viewers, hard to reach with commercials. It is also easy to pinpoint specific age groups by backing specific bands — bi-monthly surveys by research company Carrick James monitor the fickle musical preferences Cola which paid the Jacksons Som to be associated with their US tour. It has subsequently supported Lionel Ritchie and Tina Turner and is now negotiating with Michael Jackson about another link-up with a reputed \$15m price tag.

weekly bills of around 510,000. Thanks to ITT's contribution. Chris de Burgh, as well as sell as elling more records, might even make a profit from his three-month swathe through Europe.

Last Sanday at Poole Arts Centre in Dorset, 5 Star, a additional fees to artists of up to \$1m to appear in its televance as the UK's answer to the Jackson, a started a more modest national tour, with some help from Cadhury, which is putting over £100,000 into the venture, is now being used in the UK. The singers are not actually observed drinking Pepsi—it suched the study in the UK's answer to the Jackson, a health food fanatic, has ever not actually observed drinking Pepsi—it is effervescent young band; lively product; tenuge audience which should enjoy both. So you will hardly be able to escape the Crunchie name at a 5 Star concert and you will leave munching a free sample.

These examples guggest that the UK is finally catching moving from point in the UK is finally catching moving somes, the Jacksons, Lionel Ritchie, Stevie Wonder—have welcouned business aponsorship to help to finance costly tours, and a thriving industry has a bardwagon that has been paid in the UK. Stevie Wonder—have welcouned business aponsorship to help to finance costly tours, and a thriving industry has developed, with a turnover of at leave floom.

The most enthusiastic sponsor

to one artist, Harp buys into concerts given by a range of bands, broadening its market. This year to date it has backed to 415,000 potential customers, as Before Christmas it is planning another 100 concerts. With the Harp name prominent at the sor venues — and in the bars, on the tickets and the merchandise, it thinks it has reached its main it thinks it has reached its main consumers — young CI/C2 males. Among the bands it has supported are Marillion, Ultravox and Status Quo. Its money will enable the American star Huey Lewis to add provincial dates to his forthcoming British tour. Its biggest coup was the moment when Freddie Mercury of Owen draph from a can of

of Queen drank from a can of Harp lager in front of almost 100,000 fans, and the TV cameras, at Wembley Stadium. This is an unexpected bonus. Most stars are reluctant to be-come too closely identified with come too closely identified with products; for many it is a case of take the money and run. But they find it hard to resist the cash being offered, and when a band like Genesis plans a world tour, it will seek a sponsor, preferably a multinational company, to contribute \$1m plus to defray some of its expenses.

Music Link and West Nally company tend to carry round with them and co two lists — companies socking set in.

a suitable band to sponsor, and bands anxious to find a backer. The closest relationship to date The closest relationship to date has been between Bucks Fizz and Sharp, the electronics company. Since May 1985 Sharp has invested £2.5m in identifying its products with the band, who feature in all its advertising. In their stage act they perform inside a mock-up of a Sharp transistor; the connection is total. And both parties seem happy enough with the deal.

The ultimate is for a con-The ultimate is for a company completely to take over a pop group, endowing it with its brand name. This has happened in Australia with mixed success. In the UK new bands are often happy to accept practical help in the form of equipment and clothing from companies — newcomers Tanh-Chi for grample are kitted out. Chi, for example, are kitted out by Gols sportswear. The smaller record labels will also consider record labels will also consider allowing a sponsor's name on to its record sleeves. At every level there is a constant battle be-tween the pride of the artist and the lure of Mammon— some stars, like US singer Bruce Springsteen, will not accept any commercial the up at all.

At the mement a standard rate of charges is developing dependent on the status of the band. At the cheapest level a company might buy its name on to the advertising for construction of the tight for the construction. on to the advertising for con-certs and on to the tichets. For a little more it can have ban-ners at the performances and hand out posters and gifts. A closer connection tends to be very expensive and limited to artists not quite of star stature — British pop group King, as they sought success, were quite prepared to attend store promotions for tour spon-sor Boots.

Pop sponsorship is heavy with hazards. Sponsors have been left financing concerts which have been cancelled bewhich have been cancelled be-cause of poor ticket sales; there is the constant problem of matching promotional budgets, which tend to be planned a year in advance, with tours that are set up in a few months. Many artists are greedy, taking much, giving little, Others amaze sponsors by promoting their brands on stage.

It can also be a murky business, with its origins in the days when companies gave band managers drink, or hotel accommodation, or free flights, in return for seemingly casual product endorsement by artists. Slowly it is becoming respectable, and quantifiable, and organised. As other media costs rise, the opportunity to promote rise, the opportunity to promote a brand to a target audience when it is enjoying itself will seem worth examining, at the very least, to more and more companies. And then over-kill.

### **Prudential Corporation**

### Discarding a stolid image

Nick Bunker on the UK insurer's radically changed persona

some of its 14,000 direct sales-

Last night, in the Royalty Theatre in London's West End, ations of the snake (meaning the Prudential Corporation, the wisdom), the arrow (meaning UK's biggest life assurance, pensions and household insurance group, sought to change all that. Its slightly-built, dapper chief executive, Brian Corby (an actuate of the corporation) was the profession.

try by profession). Was the last in a series at imiliar shows given over the past three days, to about 7,200 of the Pru's 30,000 staff.

Behind it lay a year's work, a film total total trusts and investment skills. From Monday, the Pru's new destiny as a timeralised retailer of financial services—estate agency, unit trusts and investment skills. From Monday, the Pru's new image will be on public display in a six-week, £2.5m television advertising campaign.

The new face of the Pru will be installed on all the Pru's says work, a firm budget, and a determination to recast the Pru's new destiny as a timeralised retailer of financial services—estate agency, unit trusts and investment skills. From Monday, the Pru's new image will be on public display in a six-week, £2.5m television advertising campaign.

The new face of the Pru will be installed on all the Pru's souncers to make its attiment products is rational strategy at a time when the marketing of life assurance and other investment products is being regionally under the impact of new competitors (such advertising campaign.

The new face of the Pru will be installed on all the Pru's new of many of the pru's deeper strategy lies in its soloned from Wolff Olins. It "shocked the board' when it staff cohere around a new corporate image campaign in the Pru's new of financial services—estate agency, unit trusts and investment skills. From Monday, the Pru's new image will be on public display to the pru's new of the pru's new image will be on public display to the pru's new image will be on public display to the pru's new of the pru has done no corporate image campaign.

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#### Marketing abstracts

A broader approach to television research. M. Svennevig
and R. Wynberg in Admap
(UK), May 1986 (5) pages).
(UK), May 1986 (5) pages).
television research findings;
suggests existing methodologies
are not sufficient to cope with
changing nathrops of TV view. changing patterns of TV viewing; examines addiction to different types of programme and different sorts of addicts; and different corts of addicts; Hew to keep marketing comreports experimental research,
commissioned by the Independent Broadcasting Authority, in
which viewers are monitored
(by a camera and recorder

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HONEST, responsible, old-that insurance is seen as female, fashloned, lumbering, staid: staid: warm and protective (as such is the public image of the opposed to the stern maleness Prudential. At any rate, that is of banking), and Prudence to its public persona according to trade on the Pru's reputation a recent, informal survey among for solidity. For those Pru customer of its 14,000 direction with a product market. Vevers and Malcolm Hughes, who came from the Nationwide Building Society to become general manager (marketing) for its UK individual division which handles life policies and personal pensions. After five months running the Pru's public affairs department, Vevers began arguing that a new corporate identity was needed.

A first report was commistomers with a knowledge of classical iconography, the logo also features abstract representations of the snake (meaning wisdom), the arrow (meaning skill), and mirror, signifying salt-invaledge.

be installed on all the Prits stationery, advertising and 400 district offices. A clue to the Prit's deeper strategy lies in its decision this week to bus to the Royalty Theatre so many of its national sales staff. It shows

incorporated in the TV set) as ducts) determine marketing they view, and their behaviour objectives by using an interval compared with diaries they questionnaire — called a complete to record their view—
"market-profile." emphasises the complete to record their viewing. Finds, inter alia, that pure viewing is rare, and that different individuals apply different degrees of attention product marketing managers to complete the questionnaire; the strength of programmes at peak viewing times (which are the same as peak advertising times) might diminish the impact of commercials during that time.

"market-profile," emphasises the collaboration between marketing managers to communications are the questionnaire; the same as peak advertising that time. "market-profile." emphasises the for sound communications strategy is shared.



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Every day, the world of telecommunications becomes more complex.

New equipment appears, new suppliers enter the market, new methods - and even completely new technologies - evolve.

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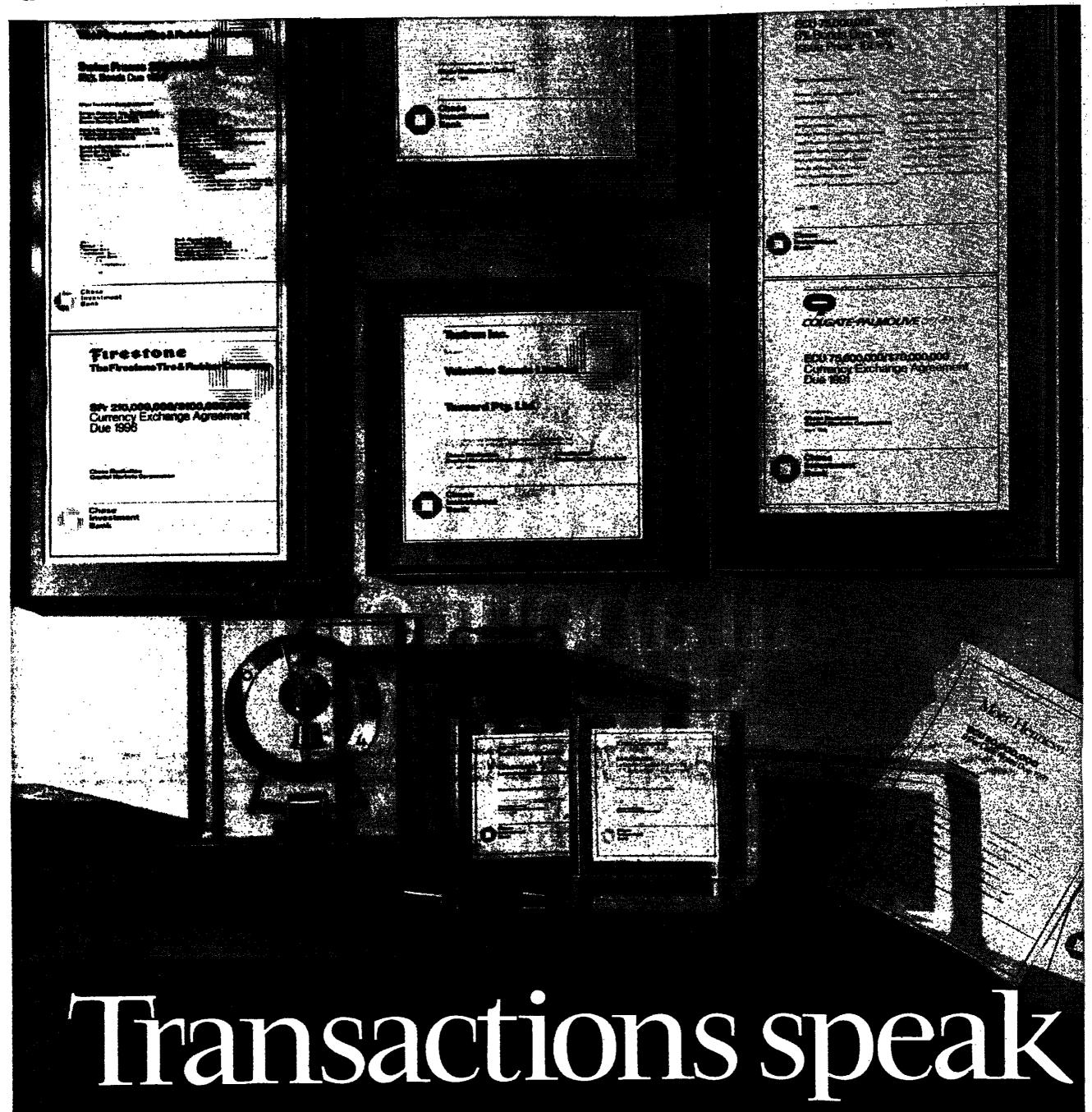
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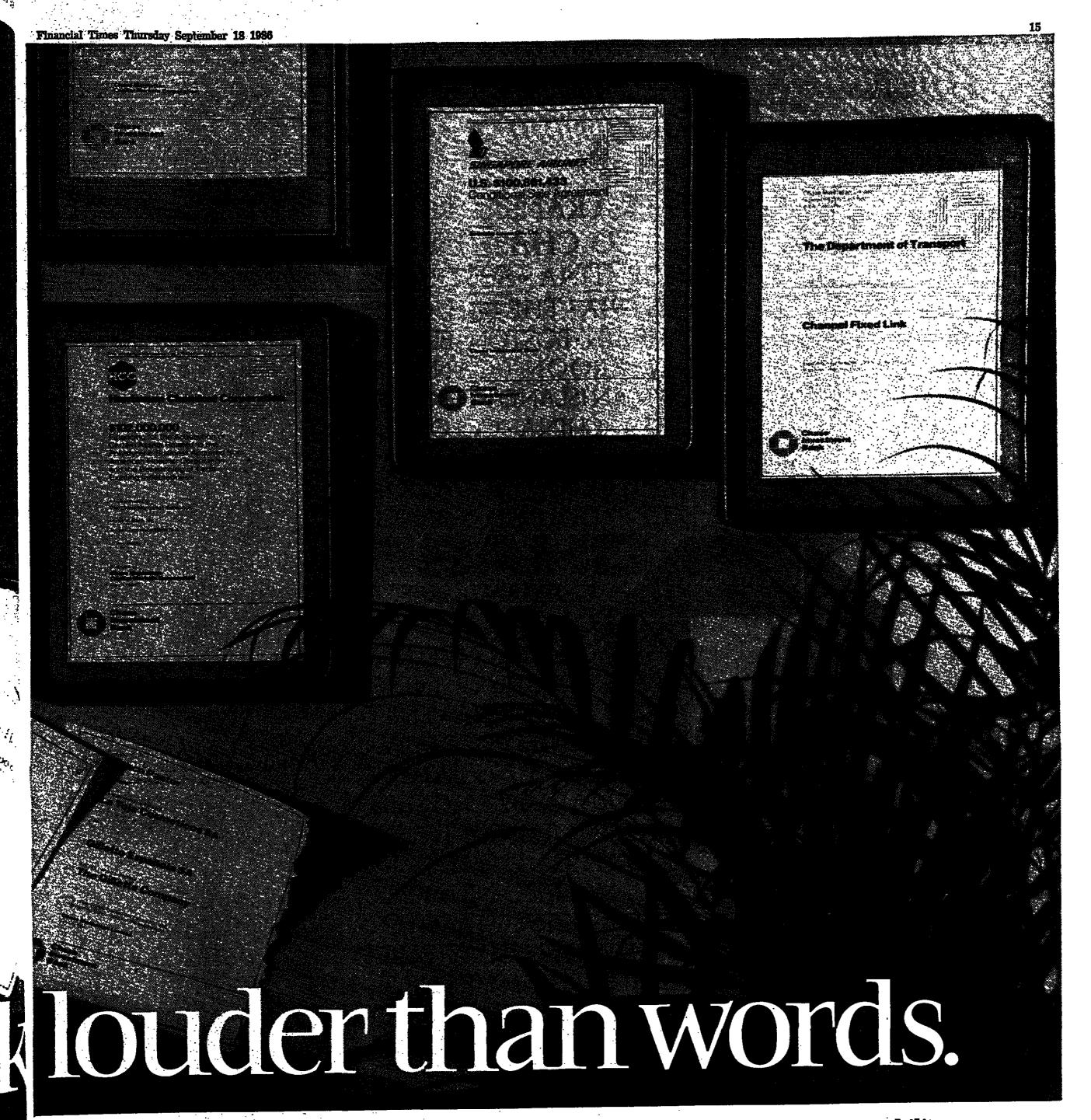
Fact is, our performance places us

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For starters, there's our sheer size and strength. No investment bank (or any other type bank for that matter) has both the customer and capital base that Chase does. Add to that our fully integrated global network. This is especially important with



today's increasingly complex deals involving more and more multi-national participants.

Sime

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size and

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And then, of course, there are the Chase people. People with expertise in all fields, from mergers and acquisitions, to swaps, trade finance, and electronic banking. People capable of working in partnership, with their clients and with one another. A network of bankers able to work quickly to meet customer needs.

This total global banking capability that integrates size, international network, specialized industry knowledge and the broadest range of investment banking products is what sets Chase apart from other financial institutions around the world.

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Chris Jury, Kate Lock and Eileen Atkins

### Tuesday's Child/Stratford East

#### Michael Coveney

Theatre Royal, Stratford East. In a small Irish Catholic town, the authors posit a modern equivalent of the virgin birth, preferring scientific theories of parthenogenesis to divine inter-

The satire and intellectual points are slowly foisted upon an heretical scenario that bears a limp relationship to Once a Catholic. Instead of jokes about schooldays we have jokes about miraculous deception, with old folk in wheelchairs päing into the church where a placter madonne is bruited to

Tuesday's child, like the the house where she takes in hailed Mary, was full of grace, the old folk as lodgers. The which is more than can be said confessional booth swings of this bumpy comedy by Terry round and Eileen's daughter, Johnson and Kate Lock at the Teresa, confesses a miracle pregnancy to the cynical priest who subscribes to Scientific American.

Kate Lock as Teresa has writ-

ten herself a long and involved monologue describing how, on a trip to the Holy Land, she got a little tipsy in Nazareth," went on a camel ride and came

farcical invention. The translation, by Roger McAvoy and Anna Maria Guigni, has been vetted by Dario Fo; he teft it submerged in altered lines, no small task for the company. The long confessional scene (for once, one such placed in a confessional) gives way in the second half to toe-curling Irish comedy with Miss Atkins ruling the roost and her son (Chris Jury) ruling the rooster. A chicken is passed around like a Sunday collection plate and finally cooked for lunch. Father Doyle defrocks himself once the baby girl has arrived and offers Teresa a quiet home in County Clare. Perhaps he will take up carpentry. The long confessional scene interpret regulations without regard to the people the regu-lations affect. There is a splenlations affect. There is a splendid song in the first act, categorising such people in the manner, dare I say it, of W. S. Gilbert. Lofty, whose real name is Lovely Cloudy Stormy Weather, and who is played by Mr Rees, has been without his pension documents for years, and when, after a good deal of trouble, he has them turned up, it turns out that he is registered as a retriever dog.

points are slowly foisted upon an heretical scenario that bears a limp relationship to Once a Catholic. Instead of jokes about schooldays we have jokes about schooldays we have jokes about schooldays we have jokes about miraculous deception, with old folk in wheelchairs piling into the church where a plaster madonna is bruited to have gesticulated after Benediction last Sunday. Or it could have been a vibration from the Number 27 bus.

So far so funny, Mike Bradwell's staging in a draughty grey pillared chancel designed by Jenny Tiramani successfully esablishing the tyranny of Elleen O'Shaugnessy (Elleen O'Shaugnessy (Elleen Atkins) over her children and successfully seed to a camel ride and came over a little queer the minute she with minute she at down on a step. Father Doyle (Michael Angelis, Bleas-tas off key, inaccurate Irish accents—especially from Miss Atkins, whose squint-eyed comic demeanour sells short her natural talemt, and Chris Jury—five demeanour sells short her natural talemt, and Chris Jury—five demeanour sells short her natural talemt, and Chris Jury—five demeanour sells short her natural talemt, and there is a ship around like, well, chicken feathers. Mr Angelis is sympathetic but fatally letharing is at least sharp and tangy, if less secure in its gynaecological excursions than in its theosophical accents—especially from Miss Atkins, whose squint-eye comic demeanour sells short her natural talemt, and Chris Jury—five demeanour sells short her natural talemt, and Chris Jury—five demeanour sells short her natural talemt, and chris promate.

The structure buckles and same of the well and carrichem.

Jones.
What follows is the characteristic stuff of farce. We are at the registry, at the dogs' home, in a train, at the laying of a foundation stone. Canine Lofty escapes from his keeper

Dario Fo's victims in this

piece are anonymous officials who sit behind their desks and

tered as a retriever dog. Naturally he is taken to a dogs home. If he is not claimed within three days, he will be put down.
This is only incidental to the main story, which is a purely conventional tale of the loss

and recovery of a girl-friend. Not that there is anything very conventional about Fo's version

onventional about Fo's version of it. Lofty is kidded by his friends that he is being married to a beautiful girl according to the rites of the Albanian Orthodox church. The girl is indeed beautiful, being played by Tina Janes.

The new season at the Theatree Royal Britant has made a britling that the mass of the Minister who is to lay the sign of the Minister at the Minister who is to lay the sign of the Minister who is to lay the sign of the Minister at the Sign of Sign of

Bristol Fo-fashion, Mozart in Mold



Roger Rees as Lofty in Bristol

portraying genius on stage. No need to depict it, the play's need to depict it, the play's argument runs, as it was not apparent in Mozart himself.

Apart from the fact that Mozart having trotted since infancy round some of the most rigidly formalised courts in history, was aware of when not to make rude wises as some to the courts in the court of the rune. make rude noises or scatt-logical jokes as even a modern-day playwright, we inescapably know him as the divinely-touched composer of Figuro

good man devoting his limited gifts to God's service, shocked

spiritorial couple from Rosen-kavatier. Robin Hooper's apolo-getic Emperor must be the most self-effacing wearer of St Stephen's crown ever to bestride the Danube. But the produc-tion's undercasting is most damaging in the leading roles.

As the Mozarts, Rupert Graves and Elizabeth Edmonds exchange banter in the slovenly day playwright, we inescapably know him as the divinely touched composer of Figaro and the Jupiter, the clarinet quintet and Cost. Mr Shaffer's actusively bumptious caricature of a smutty brat just won't wash.

In the figure of Salleri, bitterly self-styled "patron saint of mediocrities" (for another view see my colleague Max Loppert's record review of his Falstaff on this page on Saturday), Shaffer sets up a potentially tragic dilemma: the good man devoting his limited

As Salieri, David Bamber by the divinely mocking choice earnestly plods through the of an unworthy vessel for playwright's ultimate cop-outsupreme beauty, decides to the narrator who has to explain thwart God's plan. "Man is not mocked," cries Salieri; but in with minimal vocal variation the God-versus-mediocrity stakes and a perpetual expression of the conversus in dealer. the God-versus-mediocrity stakes the outcome is never in doubt, scarcely enlivened by this sketchy account of a Marlovian over-reacher couched in the style of Reader's Digest.

"I want life, Baron. Not boring legends!" So throbs Mozart in B-movie vein. Well he won't get it at Mold, where and a perpetual expression of conscientious concern. A staggeringly noisy audience (one cougher was banned after the interval; another prompted reaction from both the audience and the hapless Mr Bamber in mid-scene) hardly helped.

Martin Hoyle

### New moves for the West End

More strength to LPO
The London Philharmonic starts at 180%, which is fine vertical started with high liked Fell, which liked Fell, which liked Fell, which liked the which liked fell with

While the West End theatre contemplates a slack summer and hopes for a better autumn, news comes of three new initiatives designed to stir up the theatrical world: Michael Bogdanov and Pennington with the strick of the land. The strick of the land hopes for a better autumn, news comes of three new initiatives designed to stir up the theatrical world: Michael Bogdanov and Pennington with the strick of the land. Bogdanov and Pennington will be on the road for almost nine be believes that London is ripe for some well-crafted plays with developing plots; he is keen on regional try-outs, which help to wards the financing of productions as well as testing them be fore a real audience; and he is costumes and props for the seenery, costumes and props for the ounderwrite tours — his next plays) and then: visits ten provincial cities, and European capitals.

The English Shakespeare to the months with Heavy IV Parts I developing plots; he is keen on regional try-outs, which help to wards the financing of productions as well as testing them be fore a real audience; and he is not averse to Arts Council cash to underwrite tours — his next projects are a subsidised revival willie Russell. His company is backed by Michael Medwin.

The English Shakespeare to the developing plots; he is keen on regional try-outs, which help to wards the financing of productions as well as testing them be fore a real audience; and he is not averse to Arts Council cash to underwrite tours — his next projects are a subsidised revival willie Russell. His company is backed by Michael Medwin.

That is perhaps why he is starting with Night Must Fall, who also owns the Old Vic, is putting up the firm the Arts Council with revival author Emlyn williams has not bedieves that London is ripe for the some with a six to months with Heavy IV Parts I developing plots; he is keen on regional try-outs, which help to wards the financing of regional try-outs, which help to

### Israel Philharmonic/Festival Hall

### Quartet/Covent Garden

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18th September, 1986

Delaware.

What is Modern Sculpture?: Rather arbitrarily, the American art critic Margit Rowell answers by excluding Rodin and Maillol from the 1900-1970 pariod. Her criterion is a break with tradition, and tin, welded wire, plywood and string are next to sculptures in brunns and marble. There are some splendid works by Picasso and Matisse, Brancust and Glacometti. The exhibition continues from the 5th floor to the forum in the beatment with Beutys and Arts Powers and is unspeakably depressing. Centre Georges Pompidou, Closed Tue (42771112) Ends Oct 13. NETHERLANDS Eindhoven, Van Abbe Museum, Cur-

**Exhibitions** 

Endheven, Van Abbe Museum. Cur-rently drawing a record number of visitors to the 50th anniversary Eye level' exhibition of its entire collec-tion. The 1,500 works read like a roll-call of modern art, from Cha-gall, Kandinsky, Braque and Picas-so to Klein, LeWitt, Baselitz and Kiefer. Ends Nov 2.

Madrid, Prado Museum. French, Spanish and Italian paintings of the 18th century. This exhibition from the Prado collection includes works not seen for 15-20 years as well as recent acquisitions, Tiepolo, Bayen, Maella, Paret, Juan Bantista, Menga. Palacio de Villahermosa, Plaza de las Cortes 6. Ends Sept 30.

Lugano: Villa Favorita: Goya in Pri-vate Spanish Collections: 50 pain-tings by Goya, normally impossible

to see and which have never tra-velled before. The exhibition is orga-nised by Buron Thyssen and the Spanish Minister of Arts. Among them is the portrait of the Contessa di Chinchon, considered the best of Goya's paintings of women, Ends Oct 19.

When the pasters went to war: Ameri-can posters through the two world wars. Musée Royale d'Art et His-toire, Ends Oct 12.

BRUGGELS

**MEW YORK** 

fotropolities Measure of Art: 49 Im-pressionist and early modern paur-tings from the Hermitage in Lenin-grad and the Pushkin Museum in Moscow include works by Picasso, Matisse and Chagall rarely seen in the West. Ends Oct 5. the West. Ends Oct 5.

National Gallery: Viennese Renaiss-ance sculpture from the Kunsthisto-risches Museum Includes work by Bertoldo di Giovanni, Andrea Brios-co, and Alessandro Vittoria. Ends

Turner (1775-1851): Over 100 oil paintings and water colours in one of the most important Turner exhibitions held overseas, Loans (20 from London's Tate Gallery) include Rain, Steam and Speed from the National Gallery, and Lifeboat and Manby Angaratus envotees of the Water. Apparatus, courtesy of the Victoria and Albert Museum. Tokyo Museum of Western Art, Ueno Park. Sponsored by Nihon Keizai Shimbun and British Council. Ends Oct 5. Closed Mondays.

#### Busoni/Elizabeth Hall

#### Richard Fairman

but in the last resort it was surely the score that carried the evening, its immense and powerful strangeness lingering in the mind long after the performance itself had finished. Tuesday's well-timed concert took exploration further and unearthed a very mixed half dozen of the composer's lesser-known pieces.

Even in these Doktor Faust's music echoes on. Busoni's major works are invariably preceded by a host of smaller pieces which use the same material, refining or commenting on ideas that the composer would use again later. Of his five Goethe Songs, the "Lied des Mephistopheles" found its way into the opera almost unchanged; and the other late songs, written at the end of Busoni's life, share the same mood of underlying menace, well put across here by the laritone Richard Suart.

Lighter moments of the opera surfaced elsewhere. The Tanzmodulations and bitonality.

Lighter moments of the opera wander into areas of disturbing surfaced elsewhere. The Tanz-modulations and bitonality, noizer of 1920 found a place in strange territory indeed for the ballet sequence, but the original orchestral version is those of today. The only injust as valid in its own way, a lively and potentially popular showpiece. It also reminds us plane.

One of the major successes of that Busoni was a virtuoso at last season was English National heart. His music, even for Opera's production of Busoni's orchestra, needs a first-rate technology of the work's staging, ensemble of the London City but in the last resort it was surely the score that carried the way from meeting its demands.

Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Thursday September 18 1986

### Jaruzelski's bold gesture

FOR THE FIRST time since the end of the Solidarity era in late 1981, and probably a long while before that, Poland's jails are eral has been now empty of political prisoners except those convicted of spy-Jaruzelski's surprising move has won praise from the Polish Catholic Church, endorsement from the Kremlin, welcome from the EEC, and slightly be-mused satisfaction from the Solidarity leaders themselves.

How long will the prison cells stay uninhabited? Given cycle of arrest-amnestyrearrest over the past five years, there must be scepticism that any new era of political amity has dawned in Poland.

But there is progress, or a kind of mathematical progres-sion. General Jaruzelski has given three amnesties since he banned the Solidarity trade union. In 1983 he freed 557 out of the 640 political pri-soners then sentenced or await-ing trial. In 1984 he released 633 out of a total 652. Over the past two months he has let (around \$30) not serving treason or terrorism sentences. The solidarity leaders have this newly freed include even Mr week been calling for the quite underground leader in Warsaw, caught in May after more than confession that martial law was four years at the top of the Confession that martial law was four years at the confession that martial law was four years at the confession that martial law was four years at the confession that martial law was four years at the confession that martial law was four years at the con

#### Soviet confidence

On the very day the amnesty was made total, the Polish police picked up no fewer than 3,000 suspected Solidarity supporters to give them a talking-to about their activities. The

Jaruzelski's new self-confidence But there is another reason, is Soviet confidence. This week Warsaw should remember that Mr Mikhail Gorbachev reitering the strong support for the Poland set itself a higher

yet the only bridge the general has been offering over the political gulf in his divided society is an official advisory council, His apparent hope has been to attract onto this body, not the Walesas or Bujaks, but moderate opposition figures such as eminent Catholic lay-

Now in most other Soviet party members of independent stamp of mind would jump at the chance to get their name in the legal press, let alone to be consulted even in a perfunctory way by the authorities at a high level. But Poles, unlike Hungarians after 1956, are generally unwilling to accept liberalisation in doses from their communist rulers. They tasted freedom in 1980, with a signed government agreement on free trade unions, the right to strike and removal of censorship. Many Poles still want a proper bite at that freedom again.

#### Double standard

Government "wanted" list. wrong and unnecessary.

The nature as well as the scope of the latest move seems amnesty kindles some degree scope of the latest move seems annexy kindles some degree to redect the Government's of goodwill, the moderate growing self-confidence. Two opposition with Church backing, months ago it talked of "good might enter a consultative behaviour pledges" as the framework with the Government or freedom. In practice ment. Such co-operation, however, needs a cooling off period. The Government is The Government "cat" has a cooling off period. exacted. The Government is the Government is making a very good show of made clear it will pounce again indifference as to whether or on the opposition "mice" if not its political opponents are they misbehave again. If promotion of Solidarity ideals constitutes misbehaviour, say people like Mr Bujak, so be it The degree of internal dialogue will determine Poland's relations with the

West. These are now deservedly better. There has been some substance to the Polish Governto about their activities. The not-so-subliminal message was that they could regard the country as one big open prison, in the sense that nothing in it went unobserved.

Part of the key to General and ethnic Poles in the West.

### Conscience of the SDP

Dr Owen was not talking promised to reform it by about raising taxes or cutting merging tax and benefits withthem, but about the reform of out raising taxes. Even if the
the whole tax and benefits present Government cuts the
system and the alleviation of basic rate of income tax from

successful conference until although, far from anyone earnthen. There were too many uncertainties about defence policy
and whether a joint approach to
forms. Dr Owen sald that at certainties about defence policy and whether a joint approach to the future of British nuclear weapons could be agreed with the Liberals, who hold their own conference next week. There was some sniping at Dr Owen's style of leadership and his unwillingness to make con-Government's figures, the number living on or just below the partners in the Alliance but also to some of his own supporters. The debate on civil nuclear power was a tame affair with the SDP sounding embarrassed by the whole whole rassed by the whole subject. Fiscal neutrality The conference voted to retain existing nuclear power stations, but against commissioning any nore for the indefinite future.

#### Too Complicated

Signs of a change came on another, members ruse from the floor to defend the principles behind the proposals. These are essentially three. The present system of tax and benefits is too complicated and can be simplified. It bears too heavily on the poor. For the sake of the alleviation of poverty as well as simplification, the better off must be ready to make some sacrifice. Self-confidence returned to the SDP as a result of that debate. Social Democrats again saw whole and unlikely to help the poor who are out of work.

Dr Owen is offering simplification and alleviation of poverty on a basis of fiscal neutrality and with the benefits of computerisation of future. He has stuck his neck out. If his calculations are wrong, he would be in trouble. Social Democrats again saw

AT THE close of the Social themselves as a reforming left Democratic Party Conference in the Conferenc poverty. In short, he was appealng to the British social conscience, it certainly worked with
the SDP.

It had not been an especially

principles than about numbers, least two out of three standard rate taxpayers would be better off. The other statistic on which he dwelt was the rise in poverty. According to the Government's figures, the num-

To some extent the country has been on the brink of major tax reform before. Mr Edward Even the run-up to the tax and Heath talked about a move to henceft debate had been marred negative income tax or tax by accident. When the draft procredits when he was Prime posals were published last Minister in the early 1970s, but month, the SDP allowed the impression to get around that Revenue was insufficiently anyone earning more than advanced to effect it. Mr Nor£10,000 a year would be worse man Fowler, the present off if they were implemented. Secretary of State for Health Mr Norman Tebbit, the Conser- and Social Security, undertook vative Party chairman, was an enormous review with the quick to exploit it. system, but was unable to get as far as he would have liked. The Labour Party wants to deal Monday afternoon when the with low pay by introducing a conference debated the tax and statutory minimum wage, a benefits document. One after policy likely to have adverse another, members ruse from effects on the economy as a effects on the economy as a whole and unlikely to help the

US AIRLINES

# The giants in command—again

By Anatole Kaletsky in New York

this week as Mr Donald Burr, the idealistic founder of People Express Airlines, was forced to bow before the unforgiving pressures of the market.

Monday's announcement that

Mr Burr was selling his "humanistic" alrline to Mr Frank Lorenzo, the shrewd and ruthless chairman of Texas Air ruthless chairman of Texas Air Corporation, came as a bitter disappointment not only to the airline's 3,500 "owner-managers" — or employees — but also to the millions of passengers and well-wishers, from management theorists to politicians of all colours who came to share what Mr Burr still cells to share what Mr Burr still calls "beautiful vision" of a popular capitalism.

The takeover also puts the final piece into the jigsaw of the rapidly consolidating US airline industry. Unless the US Transportation Department stops the merger—or the even more ambitious \$600m takeover of Eastern Airlines which Texas Air Corporation amounced in February — there will be just six companies left by next year in control of 70 per cent of US

assenger air traffic. Yet despite the obvious comgive Mr Lorenzo a decent chance of winning the necessary approvals and ending up in control of the biggest airline in the era of deregulation with the non-communist world. Even the civil Aeronautics Board for lower prices, Mr Lorenzo's growth and approvals and enums
control of the biggest airline in
the non-communist world. Even
Mr Alfred Kahn, the man who
masterminded airline deregt for lower prices, Mr Lorenzo's
lation in 1978 when he was head
of the Civil Aeronautics Board,
of the Civil Aeronautics Board,
profitability, not "making a
admits: "I guess I want the
better world." Mr Lorenzo saw
through — there
that he could grow by offering
conventional full-service air action in 1978 when he was head of the Civil Aeronautics Board, admits: "I guess I want the merger to go through — there simply ian't an alternative." If the merger were stopped, he points out, all three of the proposed partners would probable on he absorbed. bably collapse or be absorbed airlines.

by other even bigger airlines.

How has the US airline costs to ndustry come to such a pass? industry come to such a pass?

And does the demise of People Express bring to an end the exuberant period of cheap air travel and aggressive airline competition which came to be symbolised by the companies which Mr Burr and Mr Lorenzo created? created?

To see the two men side by side describing their proposed merger is to have these ques-tions chrystalised in human form. They started out as friends and partners in the pioneering days when Mr Lorenzo's Texas International was the first significant airline to try to compete with discount fares in the days before deregulation. But the two gradually came to be seen as

For Mr Burr, low fares, de-regulation and employee share in, ownership were a crusade, or It is tempting to conclude at least an idealistic social mis-sion. He used to say that his perimary object was not to make that in the simple contrast between Mr Lorenzo's tough-ness and Mr Burr's idealism money but "to make a better lies the key to People's failure world." He wanted to open up and Texas Air's success.

hound buses.

To do this he invented a new co-operative style of non-hierarchical management in which employees were low paid, but were given the status of "managers" and became signi-ficant shareholders in their com-Today Mr Burr talks of the

sale of his airline as of the ending of a deep love affair. What he regrets most about this "bitter-sweet moment" is not the knock-down price of \$125m that Texas Air is paying—only three months ago Mr Lorenzo had offered to pay \$236m for People Express. It is the grate-ful fan mail from People's devoted passengers that he will miss most once the airline ceases to operate as an independent entity in about a year's time. Some of his customers got mar-ried only because People Ex-press brought them together from opposite sides of the country at prices they could afford, he says with a senti-mentality which is completely

For Mr Lorenzo, by contrast, there seems to be nothing sentimental about managing an travel to businessmen as well as tourists, but doing so at a fraction of the price of larger

His method was to slash his method was to slash costs to the bone by moving more ruthlessly and skilfully against the airline unions than any previous manager had dreamt of doing in the cosy era of regulation. When he deliberately put his Continental Addings substitute into tal Airlines subsidiary into banktuptcy in 1983, in order to break his union contracts, Mr Lorenzo opened a new and acrimonious chapter in US labour relations.

The unions tried to identify

him as an unprincipled finan-cial schemer and were partially successful. The image of his airlines suffered for a while and Congress passed legislation making it harder for companies to use bankruptcy as a smoke-screen for the abrogation of labour contracts. But it rapidly deregulation. But the two gradually came to be seen as archetypal business adversaries after 1980, when Mr Lorenzo rejected the idea of a no-frills airline charging fares which would "let people fly for the price of a bus ticket," and Mr Burr left Texas Air to establish People Express.

For Mr Burr, low fares, degreenlation and employee share

NE OF the great romantic the skies to millions of people People's loose management first place. Six months ago workers are paid much less than franchise beyond its original home territory in the north-east whose previous experience of structure may certainly have many financial analysts were established ones.

The large aritimes have found its services in the summer of 1984 from the summer of 1984 from the structure aritimes but on Grey better than an other ways of turning their size in the summer of 1984 from the summer of 1984 from the structure aritimes but on Grey better to place the structure of the summer of 1984 from the summer of 1984 from the structure are paid much less than an other ways of turning their size in the summer of 1984 from the structure are paid much less than an other ways of turning their size in the summer of 1984 from the structure are paid much less than an other ways of turning their size in the summer of 1984 from the structure are paid much less than an other ways of turning their size in the summer of 1984 from the structure are paid much less than an other ways of turning their size in the summer of 1984 from the structure are paid much less than an other ways of turning their size in the summer of 1984 from the structure are paid much less than an other ways of turning their size in the summer of 1984 from the structure are paid much less than an other ways of turning their size in the summer of 1984 from the structure are paid much less than an other ways of turning their size in the summer of 1984 from the structure are paid much less than an other ways of turning their size in the summer of 1984 from the structure are paid much less than an other ways of turning their size in the summer of 1984 from the structure are paid much less than an other ways of turning their size in the summer of 1984 from the structure are paid much less than an other ways of turning their size in the summer of 1984 from the structure are paid much less than an other ways of turning their size in expansion. Mr Burr's ambitions year and it was by no means to extend the People Express clear that Mr Lorenzo's future philosophy across the country was much more secure than his commercial judgment, particularly in his disastrous lowed Continental's vicitory decision last November to buy over the unions both was and the loss-making Frontier Air-

the loss-making Frontier Air-lines. And his commitment to serving rock-bottom low fare travellers may well have blinded him to the dangers of ment and unions at the major US airlines were gradually forced to accept that extremely the inadequate quality of service, the heavy overbooking and the long delays which earned his airline the nickname of "People's Distress" even among its users and admirers. tions like People Express— which was described in its heyday as "more a cult than an airline"—but also from conventionally-run full-service airlines like Continental. Mr Lorenzo's was a form of In reality, however, People's demise may have had more to do with the rigidity of Mr Burr's low-cost philosophy, than with any uncertainty in its application. Ultimately competition that the established carriers could not afford to

US OPERATING PROFITS & FARES

128

. 722

908 1365

199

76

77 78

Change in fares

5.6

-1.4 5.4

write of as a sociological curlosity. its application. Ultimately People's problems stemmed from the very forces of deregulation and cost reduction which enabled both Mr Burr and Mr Lorenzo to build up their pioneering airlines in the One after another, the traditional airlines and their unions felt forced to narrow their cost disadvantages, mainly by im-plementing two-tier employ-

other ways of turning their size to good account. They have done deals with small commuter airlines to feed passen-

victim of this consolidation as

10.4

-3.7

People Express

muter airlines to reed passen-gers from outlying towns and cities into their major hubs. They have created frequent filer programmes which give business travellers strong personal inducements to stick to one airline on all their trips. Once the two-tier scales were established, these were the factors that enabled the large tors that enabled the large established carriers to fight established carriers to new back savagely against the new competitors whenever they threatened their important markets. And it is these econo-mies of scale and barriers to entry which have been largely responsible, according to Mr Alfred Kahn, among others, for the inevitable drift towards a

NET INCOME \$m

-47.2

-48.9

-177.9

tight, though still competitive, oligopoly which has taken place in the airline industry this year. People Express seemed destined to become an early

Newark to places like Los Angeles, Chicago, Denver and Atlanta, People threw down a ganntlet which the industry glants, led by American, eagerly took up. The major airlines' geographic

spread gave them the oppor-tunity to cross-subsidiae tunity to cross-subsidise ex-tremely cheap fares on the services where People was competing with much higher fares on less competitive routes.

Even more important, the retention of large numbers of full-fare business customer enabled the established airline to undercut People on a limited number of restricted-fare seats in each aircraft, while earning far more than the cut- price airline on its average fares.

These factors go a long way to explain the pressure feit by Mr Burr to expand his airline's geographic reach through the disastrous purchase of Frontier Airways despite the obvious financial risks, as well as his embarrassingly unsuccessful bid to lure business travellers on to People this April.

But Mr Lorenzo's Texas Air was subject to very similar pressures—and the contrast petween the two companies is

In the end, Mr Burr failed, not only because he made a blunder in buying Frontier, but also because his company's management style was too unusual to be blended with another airline's — unlike Mr Lorenzo he had not learnt the trick of aveing jobs and source? trick of axeing jobs and squeez-ing costs in an established unionised airline. Even more significant, his no-frills philosophy was too intertwined with the People Express image to be bandoned at the eleventh hour.

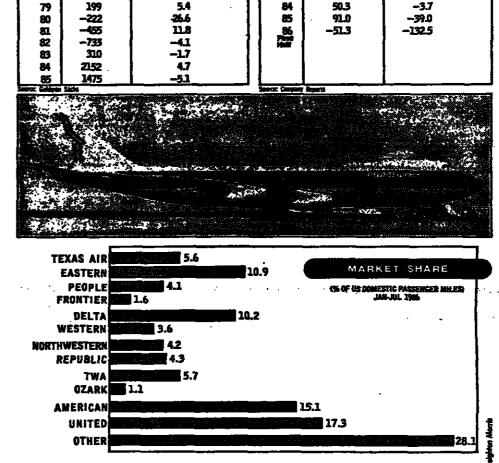
it remains uncertain whether there was anything that a small low-cost airline like People Express or, for that matter, Texas Air could do to preserve itself for long as an independent entity in the deregulated US aviation industry.

aviation industry.

Texas Air appears to have survived, but only through a borrowing and acquisition spree which will leave it, after all mergers are complete, with nearly \$5bn of debts and lease obligations supported by less than \$500m of equity.

If Texas Air prospers from If Texas Air prospers from now on it will be by virtue of its dominant position in vital transport hubs like New York, Atlanta, Houston, and Denver. It remains to be seen whether Mr Lorenzo uses his market ower to intensify competition as he now promises, or to pu for higher profit margins and solidify his balance-sheet, as Texas Air's shareholders and creditors will doubtless expect.
In either case, he will have little to fear from a new genera-tion of small upstart airlines from now on the US airline industry is a battleground for established giants not a breed-

ing ground for entrepreneurial



### Bourse bans

visitors The Paris Bourse has decided the raris hourse has decided to suspend, for an indefinite period, visits to the main French stock exchange gripped. like everybody else in France, by the current wave of

by the current wave of terrorist bomb scares in the Tourists have been able, up to now, to watch the boisterous barrow-boy activities on the stock market floor from a glasscovered gallery in the Paiais de la Bourse dominating the "corbeille" or the hub of

trading operations, The decision to deprive visitors of one of the most entertaining sights in Paris—specially in recent months when spirits were soaring on higher prices—follows a series of bomb alerts at the Bourse. There were two alerts last week, one on Friday just as a bomb actually exploded in a supermarket cafeteria in the business district of Paris.

istrict of Paris.

To alert stock exchange members, warnings have been excibbled in chalk (like security orices) on the big board. Despite the deregulation and modernisation of financial markets in France, the Bourse still relies on the old information system. tion system.

#### Baker's shuffle

The wily and conservative US The wily and conservative US Treasury Secretary, James Baker, is not somebody who would normally be expected to join in a "rap" session in the rhyming cadences of Chicago's South Side. But when Baker appeared at a tax reform rally on Capitol Hill he resulted the on Capitol Hill he regaled the assembled congressmen and reporters with his "Tax Reform Shuffe"—a take-off of the Chicago Bears' "Super Bowl Shuffe." "They said tax reform was

dead

But now it's alive,
Here's the story it began in
"85," Baker intoned before
turning to the subject of Ways
and Means committee chairman, Dan Rostenkowski, and the hordes of lobbyists oppos-

### **Men and Matters**

breaks. "Rosty started hearings before the fall, They were G out in the hall. December came, reform was So to the hill rode the Gipper to bring it back."

Baker, to his credit, decided not to pull the politician's usual trick and claim credit for an achievement in which he had only a passing hand. The bard at the Treasury is speechwriter, James Barnes. Baker was just reading the lines.

Morgan moves Dr Janet Morgan, editor of the Crossman Diaries, biographer of

the move from the BBC where



"We'll considering this is a have cured very much

ing abolition of their tax | she was special adviser to director general Alasdair Milne.
She is going commercial,
joining the Granada Group
where she will be advising board members on the future expanding fast in computer expanding rast in computer services and leading a consor-tium applying for Britain's direct broadcasting by satellite franchise. She will be looking, in particular, at the recruitment and training of senior executives.

Morgan, 40, is not quitting the BBC because she has had too much of licence fee campaigns or the Peacock Report. Dr Janet Morgan, editor of the Crossman Diaries, biographer of Agatha Christie, and former "Think Tank" member, is on the more from the BRC where

#### Paper chase Whatever TSB's share offering

loes for the punters, it produced a bonanza for City of London printers Burrup Mathieson, part of the Extel group.
Burrups used 700 tonnes of paper to roll off millions of full and mini-prospectuses in a 96-hour print operation, the

Lloyds Bank, who are also issuing prospectuses.

Three million copies of the prospectus were mailed to people who had registered their interest with TSB. The three critical printing days involved 64 senior Burrups

people working round the clock with 28 factories involved in printing and mailing.

#### With strings

Profit figures in first column refer to domestic and international operations

The Medici String Quartet plans to hold an "auction" of Beethoven string quartets next month. It is not a distress sale month. It is not a distress sale—just that they want to play the complete cycle of 17 quartets and are looking for \$45,000 in City or industrial sponsorship to learn the entire cycle,

Paul Robertson, leader and first violin, has attached a rough price tag—£1,500 for the "easy" early quartets, rising to £3,500 for the tricky later The auction is to be held in

the foyer of the Queen Elizabeth Hall on October 7 and the complete cycle will be given in London in about two years time. Robertson, who thought of the money-raising idea, says it is entirely appropriate that a quartet named after the Medicis should be involved in sponsorship. And Beethoven needed a little patronage to get the quar-tets written in the first place.

#### Far fetched

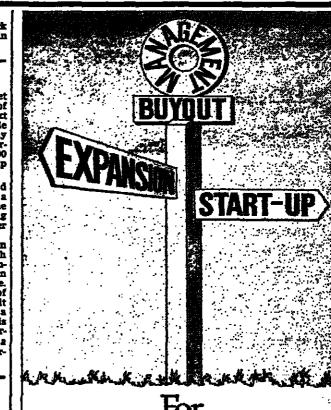
A Texas rancher, searching for his ancestral roots, found him-self talking to an Irish farmer in a remote part of the country. and asked if he might look over

the farm.

As they stood in the farmyard, the Irishman pointed out
the salient features — the southern field bounded by a road 100 yards away; the a 96-hour print operation, the biggest City print order ever undertaken in so short a time, the company claims.

Production began last Thursday and lasted until Monday. day and lasted until Monday, followed by a concentrated delivery programme to rush supplies to the TSB's 1,580 branches and 1,872 branches of Lloyds Bank, who are also the Irishman fixed him with the supplies to the TSB's 1,580 branches and 1,872 branches of Lloyds Bank, who are also the Irishman fixed him with the supplies of the Irishman fixed him with the supplies of the Irishman fixed him with the supplies of the Irishman fixed him with the Irishman fixed him with the supplies of the Irishman fixed him with Irishman fixed him wi

Observer



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STAND 25

ecession has suddenly become afashionable. But it has been replaced by fitters about almost everything else. Central bankers werry about the rise in namers warry about the rise in consumer and business debt ratios. The stock markets worry that concerted interest rate cuts are now less likely and certainly less imminent. Unreconstructed monetarists worry that, in their endeavours to avoid recession, the world's central bankers the world's central bankers may have relaxed too much on the monetary front and sown the seeds for world inflation. Almost inevitably we have had rumours and denials that a major US bank is in trouble.

The very rapidity of the earlier rise in stock prices led to fears of inevitable nemesls. in the 12 months up to last week's setback, Wall Street equities rose by over 40 per cent. But that was chickenfeed compared with the 150 per cent rise sustained by equities in Spain, 105 per cent in Italy, 86 per cent in France and 75 per cent in Sweden.

Jerky movements are in the nature of financial markets, and there are nearly always setbacks after periods of prolonged rise. One unavoidable disadvantage One unavoidable disadvantage of media coverage is that a 7 per cent fall in the Dow Jones in two days engenders much more attention than a larger

But while distaining all attempts at prophecy, there is very little evidence that the major stock markets have been overvalued in any absolute only sense. The adjoining chart originally prepared by the Harris Bank, shows that Us equity profits have been rising faster than share prices, whether the comparison is the last five or the last to the first or the last to the first of the first or the last to whether the comparison is the last five or the last 20 years. In the UK, the FT Actuaries Al-Share Index has remained below its 1972 peak on an inflation-adjusted basis.

One big change in financial sentiment has been occasioned by a modest, but definite, turn-round in commodity prices. The Economist general com-modity index showed a 3 per cent rise and a 6 per cent rise in the metals sector in the month to September 9. The rise was very similar in dollar, sterling and SDR terms alike.

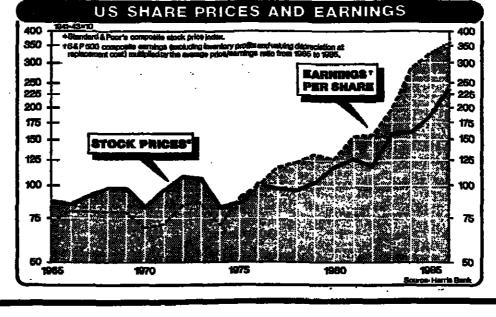
This has led to a big change of tone on the part of those New York analysis, who based their fears about world "de-fiation" on commodity price behaviour. Whatever Keynes may have said of the "bar-If the US Administration has behaviour. Whatever Keynes may have said of the "bar-barous relic," the 20 per cent simply asked such countries to rise in the dollar price of gold simply asked such countries to maintain the growth of nominal since June has affected sentiment. The gold price is obviously distorted by South African developments, but its message has been confirmed by movements in oil and other key worst that could happen, is that basic inflation in these countries.

For instance, Letry Kudlow would stay at the already low

**Economic Viewpoint** 

# When even good news causes jitters

By Samuel Brittan



of the biggest alarm sounders demand objectives in nominal for commodity-based deflation, terms would provide an auto-has now switched off the red matic fail-safe device to prevent light. Instead he talks of 3 to 4 an inflationary take-off. per cent US real growth by the fourth quarter, and says that "no further discount rate cuts by the Fed will be necessary." There are many snags about using key product price move-ments as a guide to world in-factionary trends. Products fisitionary trends. Products priced on commodity markets represent a small fraction of economic activity, especially in the developed countries. Not only do they exaggerate the swings in overall inflation rates. They are also subject to medium and long term trends of their

At the opposite extreme are the GNP deflators which emerge from the national income statis-tics. Their big disadvantage is that they emerge after many months' delay and cannot be used as spot indicators. But they are still the best guide to domestically generated inflation in the industrial countries and are much less distorted by onceor mortgage rate changes than the usually cited "cost of living" indices.

Resonable estimates of GDP deflators do not show falling prices even in Japan and West. Germany. But they do show underlying inflation at little more than 1 per cent in Japan and 2 per cent in Germany and probably heading lower still.

For instance, Larry Kndlow would stay at the already low of Bear Steams, who was one level of the mid-1980s. Couching

Unfortunately, the US
Treasury and Fed — and even
more their Congressional cheerleaders — have muffed their case by reverting to the lan-guage of old-fashioned demand management and the 1978 Bonn Summit, which assumed that financial stimulation works

intimately linked with excessive pay rises. The unboly alliance of Patrick Minford and Paul Ormerod in favour of laissez faire in this area only reinforces the diagnosis. The Chancellor is not wrong to preach on the subject, but he is wrong just to preach—how-ever many words of his own and the Prime Minister's (and directly on output and employ- and the Prime Minster's (and ment. They have even given my own) might have to be the impression that other eaten as a result of effective countries must increase their action.

Perhaps the function of flagging stock markets is like the volcanic tremblings of Mount Etna -to prevent cheerfulness from breaking in

not even happened.

Back in the US, the reaction to the last Fed discount rate cut — a rise in long-term yields — suggests that further attempts to reduce US interest rates would merely stoke up infla-tionary fears. With the muched announcement of a 3.3 per cent rise in German second quarter real GDP over the corresponding period a year ago, the pressure on Germany to ease monetary and fiscal policy is also becoming less

Perhaps the function of flag-ging stock markets is like the volcanic tremblings of Mount Eina—to prevent cheerfulness from breaking in. The more serious barriers to cheerfulness are European unemployment, which has continued to deteriorate in Britain, France and Spain and the apparently

budget deficits to offset a reduc-tion in the US deficit which has features about the rising US not even happened. trade deficit. For it has not prevented Japanese industry from reeling under the body blow of the strong yen.

If may then be that the widening of the US trade deficit is an example of the normal lag in adjustment to exchange rate depreciation, which always lasts longer than expected and always tries the patience of the

initially worsened after depre-ciation. The root problem is a shift in the pattern of comparacanon. The root problem is a shift in the pattern of comparative advantage — that is the composition of US exports and imports in a hypothetical free domestic investment, which is trade regime — away from aggravated by the budget deficit. But this case has almost traditional US products on over-congress is due to consider how anxieties.

ever-widening US trade and current deficits.

UK protectionist lobby is very to bring the estimated 1987 similar in inspiration to those deficit down to the \$154bn in Britain who bemoan the required under the Gramm-sive pay rises. The unboly facturing for very similar gress orders the politically wer-wheening US trade and cursent deficits.

UK unemployment at least is imilar in inspiration to those
imilar in inspiration to those
in Britain who bemoan the
ntimately linked with excesrelative decline in UK manuive pay rises. The unboly facturing for very similar
illiance of Patrick Minford and reasons and call for Government say "industrial strategy.")

US trade adjustment problems are, however, aggravated by three influences, one exter-nal, one internal, and the other

The purely external aggravation is agricultural subsidies such as those of the CAP, which destroy US exports which would perfectly profitable under e trade. The only consolation I can offer is that the CAP is as much an imposition on

The mixed internal-exteenal aggravation is the sluggistness of US exports to traditional Latin American markets. The only way of enabling Latin-American imports from the US to rise faster than exports would be to make much more "new money" available in lending

Is this a good idea? It is somewhat absurd to say that the US or any other country is better off by lending on noncommercial terms money to other countries to buy its own goods. Such loans may make sense for geopolitical reasons. Moreover, if concessions have to be made to US special interests, such as loans are a lesser evil than many altern-

difficult "sequestrations" there is still every likelihood that the actual deficit figures will turn out much higher than expected. as they have done in 1986, when a deficit of over \$230bn

Whether the US wishes to continue to supplement its domestic savings from abroad is an internal American matter. David Hale of Kemper makes a good case why the US as a country with a relatively young and growing population should remain a capital importer for the foreseeable future.

Again, the wisdom of this course is America's business. What not even James Baker can do is to suspend the laws of double entry book-keeping under which an overseas capital inflow is associated with a current payments deficit of a current payments deficit of equal and opposite sign. The US can maintain the inflow and imposes on exporters is too great, it can deal effectively with the budget deficit or try to boost savings, in some other

cannot responsibly do is to con-tinue a high deficit-low savings time a high defict-low savings policy and then expect the rest of the world to bail it out by indulging in higher budget deficits of their own and printing more money. If other countries were to oblige, the result would be to bid up world and interest extent a large. real interest rates to a level which would make present rates

Lombard

### Why markets are volatile

ByAlexander Nicoll

tuations suggest inefficiency somewhere. This is particularly so since all but the shortest measures show the US stock thanket to be no more volatile than in the past. If the market is still acting as a proper baro-meter of investment confidence over the longer term, why should it display such great apparent dialocations day to

day?
The flip explanation for big short-term swings has become programme trading. It conjures up visions of computers taking over the markets, continuing to issue sell orders oblivious of issue sell orders oblivious of human mayhem around them. Most people using the phrase are probably a little hazy on what they mean. But they are generally referring to arbitrage between the stock market and stock index futures or options.

Arbitrageurs take advantage of price discrepancies between different markets for the same things. If stock index futures prices are at a premium to the index, they sell the futures and buy the component stocks of the index. When the price gap narrows—as it must when the futures contract expires—they reverse the trade. Usually, a computer spots the discrepancy and issues trading orders for perhaps 500 different stocks. It also works out whether it would be more profitable just to leave the money in Treasury bills

these huge arbitrage strategies are responsible for the violent price swings. It appears flawed. Arbitrage is supposed to make markets more efficient rather than less. It naturally tends to iron out discrepancies between prices. It also adds to the pool of money in a market, thereby making the market more liquid and therefore presumably more efficient in setting prices. The exception is on the infamous quarterly triple-witching days, when—as will occur to-morrow—stock index futures

IF THE price of IBM stock and options contracts expire. soon rises back to last Wednesday's close of \$1441, the small investor panicked into selling to lock in their profit. It investor panicked into selling to lock in their profit. It on the way down to Friday's close of \$137\frac{1}{2}\text{ will have reason to be aggrieved. So will anyone who bought on that Wednesday unaware that a bargain the settlement price for the basement sale was about to begin. of "market-on-close" ( which the Securities ing better ways to handle.

On other days, however, the explanation for big thort-term fluctuations should be sought to the technology which permits massive programme traders, in the broader sense of any simultaneous computer-aided purchase or sale of a basket of stocks. But on the face of it, there is no reason why a com-puter-generated order is more to be feared than a human one. If anything, a computer would be more rational. For every order, someone — man or machine — must take the other side of the trade.

the potential for huge volume. Since they are not going to go away, stock exchanges should examine whether trading methods are adequate to handle

a sigh of relief that a once unthinkable 240m shares can be processed through the New York Stock Exchange's systems in one day. If investors did not get a fair price, then the exchange has not performed adequately.

US stock exchanges should consider whether the specialist system, in which the book of unfilled orders in each stock cope. It may not be enough to surround the specialist with Star Wars technology on the door if the very functi in which investors can always moded when markets are so reacting to huge orders because people making prices are not sufficiently equipped to stand up to them. Competing market-makers, and more automated execution may be proone the execution, may be among the

### Profligacy at the BBC

Sir,-On September 10 you carried a report by Raym expansion at an end." I very uch regret that this is not so in that the corporation still has designs to open seven new

has designs to open seven new county stations.

In Worcester the BBC recently purchased premises and is setting up studios which will cost well over £im, thus adding to the £23m the BBC spends annually on its largely published the series. relations with the stations.

Radio Wyvern has served Hereford and Worcester well for four years now and has won praise from local and county authorities, the police, hospitals and several charities, all substantiated by excellent audience figures. Mr Giles Shaw, who at the Home Office showed great concern at the financial difficulties of independent radio, quoted Radio Wyvern as showing and not income tax and introduce the nacessary legislation way were as showing and not income tax and introduce the nacessary legislation next year. mirable commitment to com-

munity service."
When there is absolutely no demand for these stations, why does the BBC persist in profligacy at the public purse? 5-6 Barbourne Terrace,

#### Taxing statutes and roll-up funds From Mr L. R. Young

Sir.—Several of your correspondents have recently pointed to the great complexity of this year's Finance Act and considered ways in which to solve the problem in future. Many readers who are unconcerned by the technical detail of the statutory provisions will soon find themselves adversely affected by one of this year's amendments which was supposed to eradicate an inequity caused by provisions introduced several years ago. In the late 1970s the Revenue became increasingly concerned by the amounts of money in-vested by UK residents in offshore roll-up funds which "rolled up" their investment income; investors had no running return but on disposal were ning return but on disposal were liable only to capital gains tax. In 1984 complex rules were in-troduced which treated the eventual gain on disposal as liable to income rather than capital gains tax unless throughout the period of ownership the fund had distributed at least

2- 3-2-4

1

3.5

### Letters to the Editor

but this year's changes give such funds only the advantageous distributor status for the future. Any investor between 1984 and 1986 who sells his investments in the future will be charged income tax on the gain despite already having been liable to income tax on the intervening distributions.

Such harsh treatment will cause mare taxoavers to doubt Such harsh treatment will cause more taxpayers to doubt the validity of a system which is so palpably unfair. It is now too late to introduce changes before next year but perhaps the Revenus will recognise that the present amendment does not go far enough and amounce that by concession it will treat all investors in Robeco and Rolinco who sell their investments as liable to capital gains and not income tax and introduce the necessary legislation

At a time when the Labour Party is amouncing plans to increase the number of inspec-tors to police the system more efficiently, it is to be hoped that this small change can be made to swid tunnecessarily cotting to avoid unnecessarily setting a number of taxpayers against the system.

I. K. Young, Dearden Farrow. 1 Serjeants' Inn, EC4

#### SDP proposal is discriminatory

From the chairman, Campaign for Equal State Pension Ages for Equal State Pension Ages

Sir,—If the SDP proposal is to integrate tax and National Insurance contributions before equalising state pension ages, the tax system will be made sex-discriminatory for those aged between 59 and 65. This would be contrary to all concepts of justice and equity, including those enabrined in the UN International Covenant and the European Convention.

Is that really what the SDP (and the Liberal Party) intend? (and intend?

David Lindsay. 36. Orchard Coombe, Whitchurch Hill, Reading.

From Mr H. G. Show

Sir.—David Robertson's letter
(September 11) complaining of
Dixon's advertising of the
Amstrad PC1512 must disappoint all intelligent users of

History and higher costs than
necessary. Because such a resuit is predictable, in appoint
a group of balanced managers
is tantamount to attempting to
walk away from responsibility
for the consequences that are
therefore.

his money. Advertising material which says I shall make higher profits, improve my business or increase my efficiency, but does not tell me what I am actually buying simply adds volume to the test of the start of

### investment From Mr D. Blair

Sir,—Lex (September 5) was absolutely correct to stress the importance of the asset alloestion decision in achieving a satisfactory pension fund investment performance. However, Lex was less accurate in implying that it is only when appointing specialist managers that there is a need for "someone at the top directing the cashflow to the right markets." The past conventional wisdom in the UK has been to appoint balanced, rather than specialist, managers.

Representation of the People Act 1986 disenfranchises British citizens if they have resided outside the UK for five years or more.

With regard to the European elections in particular, the British Government appears to be alone among those of the European Community (with the possible exception of Ireland) in disregarding such a large group of its own citizens in this way. Moreover, despite many inquiries and protests, nobody in official circles appears interested in rectifying what

specialist, managers.

If asset allocation guidelines are imposed, then there is an exact parallel with the position when specialist managers are in place. In that situation, there-

is as much the responsibility of those who made the appointment in the first place, as if they had made those decisions themselves. Why should that he? After all, you may say, delegation has taken place. That is true, but it can be shown that over time a group of balanced managers are likely or bearings managers are many of best to behave collectively no differently from the market and, in practice, somewhat worse, because of higher dealing activity and higher costs than

are to be appointed, trustees need have no fears. There is no need to shy away from retaining control over what is by far the single most important responsibility that they have. Dennis Blair.

1, Pembroke Road, Moor Park, Northwood,

#### Voting rights of residents abroad From Mr I. Harris

Sir,—I am sure that your readers will be surprised to discover (if they have not already) that the British Government has specifically excluded a large number of British citizens (who have the right of abode in the UK) not only from voting in UK parlia-mentary elections, but also from mentary elections, but also from voting in EEC parliamentary elections even when they are residing in another EEC country (where as British citizens no provision will be made for them either). The Representation of the People Act 1985 disenfranchises British

inquiries and protests, nobody in official circles appears interested in rectifying what seems to have been a simple oversight in drafting the legislation on EEC elections. The number of British citizens affected may run to thousands, and a basic principle of democracy has been floured.

place. In that situation, therefore, QED.

However, what if wide discretion over asset allocation is
delegated to the balanced
managers? To the extent that
poor performance results from
asset allocation decisions, that
leaves allocation decisions, that
leaves allocation decisions, that
leaves allocation decisions, that
leaves allocation decisions, that

### Seedorffs Vaenge, Frederiksberg, Denmark Impeccable timing

From Mr J. Muellbouer

Sir,-Although Samuel Brit tan may be surprised. I agree with essentially all of his excellent Economic Viewpoint (September 4) and also with John Williamson (August 26). My comments (August 13) about getting the rest of the deprecia-tion against the DM out of the way now and algorithm the new target rate of sterling are entirely consistent with theirs. If the implication of recen Unfortunately, as a result of various other conditions, the two large Dutch managed funds Robeco and Rolinco, which have a considerable number of UK sinvestors, found they falled the statutory tests even though they distributed sufficient of their income. Strenuous representations were made to the Revenue

Dixon's advertising of the Amstrad PC1512 must distance of the Amstrad PC1512 must distance of the Computers and PC1512 must distance of the C

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### **FINANCIAL TIMES**

Thursday September 18 1986

Balfour Beatty are Building 01-686 8700 **B** a BICC Company

### A sorry tale of death and deception

TWENTY YEARS AGO, shortly al. ers insisted on being present at a ter I arrived in South Africa to work as a mining engineer, a young white trainee miner was killed in tite trainee mine: was killed in Twenty years ago the gold price was \$35 an ounce and the mines (WA) gold mine. No one was to were poor, These days the mines blame for his death but himself. He are much wealthier and can afford had been walking on the wrong side to spend adequately on safety and of a tunnel and was crushed against other equipment. Nevertheless, the the wall by a slow-moving ore train.

No one was to blame for his death, but the mine regularly economised by keeping miners short of rate of underground gold mine accistores and equipment, and there were no safety signs in the place where the young man was crushed. black miners than for white. were no safety signs in the place where the young man was crushed. That changed fast. Within hours, and well before the official accident inspectors arrived on the scene, special teams of mine officials were on the spot installing adequate lighting, putting up safety signs, carefully re-whitewashing the walls around the bloodstains and making sure that everyone knew what to

tell the inspectors. I was not asked to attend the inquest even though I was techni-cally responsible for the accident, but the investigators found that no one was to blame for the death. In those days, that mine had one of the worst casualty records in the inmour employees referred to its prominent concrete headgear as the tombstone on the hill."

I have no first-hand evidence that cover-ups still take place and mine managers will never admit that they do. They would lose their jobs if they were found breaking the According to an NUM report paylaw. But secrecy is probably less ment of safety honuses based on frequent since 1983 when the fiedgling National Union of Mineworklaw According to an NUM report payThe System of production bohealth and safety are the top priorithat the black death rate first fell blamed for an inadequate approach jured to earn the wages. Therefore below 2 (to 1.96) per 1,000 a year in

Hlohane explosion.

250,000-strong all-black NUM is particularly perturbed that there has been no discernible reduction in the

South Africa's tallying of its min-ing accident rate differs from that used in the rest of the world, and used in the rest of the world, and the fact that some of its gold mines probe more than two miles into the earth helps to explain why acci-dents are more frequent than, for example, in the comparatively shal-low workings of British collieries.

In South Africa an accident only becomes "reportable," and is thus noted in the statistics, if it prevents a man from returning to work with-in 14 days. In the US an accident is reportable if it prevents the man reporting for the very next shift, while in Britain reportable acci-dents are those which prevent him

The effect of this is that accidents appearing in South African statistics are far more severe than those reported in Britain or the US.

Jim Jones, a former mining engineer, recalls his time at a South African

'tombstone on the hill' where safety standards were severely lacking

ca's two previous worst mine disas-1960 437 men died when a large area of the Coalbrook colliery collapsed, and in 1983 68 men were killed by an explosion at the Hlobane colliery.

About 600 people die each year in old mine accidents and their deaths, in ones or twos, normally merit no more than a paragraph in the local press. About 500,000 men are employed in the mines and the fatality rate is among the highest in the world, according to a recent re-port into mine safety and health prepared for the NUM by Mr Jean Leger, a researcher in the sociology partment of the University of the

but the rate was lowest at 1.57 in are frequently granted exemptions 1973 and was 2.00 as recently as by the authorities permitting black 1978. This shows no real improve-team leaders to perform many of ment in safety since the early 1940s, the underground jobs reserved for some independent observers be-whites. That is simply a legalisation leve. They also point to the fact of practices which have gone on for

of South Gold Mine

Mr Leger is particularly con- well as far as it goes, but the team cerned that less than 2 per cent of leaders, Mr Leger's informants say, the R40m (\$17.4m) annual budget of are frequently not adequat the Chamber's Research Organisa-trained in safety procedures.

more interested in production rates than in safety and that this frequently resulted in black miners being obliged to work in conditions they considered unsafe.

The Mines and Works Act, Mr Le-ger says, contains little in the way of statutory protection for men who refuse to work in unsafe areas. He quotes the 1983 example of 17 black quois the 1805 example of 11 black miners who were dismissed when they repeatedly refused to work in what they believed to be unsafe areas of the West Driefontein gold mine, and he reports that black miners have never been represented on mine safety committ Job reservation has not yet been

that proportionately more black years if the job reservation regula-men die underground than whites, tions were strictly implemented. In 1984 that ratio was almost five to gold mining would come to a rapid two.

tion is set aside for direct research into health and safety. His report, based on interviews with black miners and analysis of reports and statistics published by the Chamber, blames apartheid for the industry's poor safety record.

The system of production here.

### IMF sees reason for mild

optimism

ndent, in London

yesterday delivered a cautiously up-beat message on the economic out-look to governments of Western in-dustrialised countries ahead of its the end of this month.

that despite the recent sharp slow-down in the pace of world economic growth, the prospects were for an improving performance for the maies later this year and

In particular, it welcomed the im proved co-operation between governments of the major economies over the last year. The Fund is col lating a series of indicators of eco-nomic policies and objectives in those countries as part of an exercise to improve joint monitoring, o multilateral surveillance, of their

IMF staff hope that the indica-tors, which will be discussed by finance ministers in Washington, will signal inconsistencies both within and between different national economic forecasts and policy object The exercise, endorsed at last

summer's Tokyo economic summit, has the strong backing of the US, which sees it as a way to press for a bigger contribution from Japan and West Germany to world economic

Mr Nigel Lawson, Britain's Chan-cellor of the Exchequer, while less enthusiastic than the US, will also back the idea of establishing a loose medium-term framework for the

The Bonn and Tokyo govern-ments, however, have indicated ahead of the Washington meeting that they are not prepared to agree to any measures which might di-minish their national sovereignty in

In a separate paper sent to Gov-ernments earlier this month, the alised nations next year.

The annual report says that several factors point to an improved outlook. They include lower inflation and interest rates, the change in the pattern of exchange rates following last September's Plaza ac-cord to push down the value of the dollar, and the US efforts to curb its

THE LEX COLUMN

### NatWest passes the hat, again

In the old days it was thought that banks did best for their shareholders by gearing up. But perhaps the TSB's grotesque over funding is setting new standards in the banking sector. How else to explain Na-tional Westminster's call on US equity investors for over £126m, only four months after braining the UK equity market with its record £714m issue?

very large by the standards of in-itial public offerings in the US, where share distribution channels are less streamlined than the insti-tution-dominated British market. So NatWest's reputation

It would have suited NatWest if it capital rather than ADRs. Then it would have gone some way to matching its increasing US loan book with equity of the right cur-rency. But it was counsel's opinion that this would infringe the Companies Act, by creating equity with a fluctuating nominal value in ster-

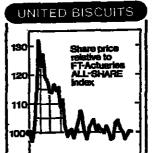
NatWest is typically vague as to which sort of acquisitions this latest issue will help with. But it must be girding itself for the opportunities that will arise if the US rules preventing commercial banks from underwriting securities or from buying banks across state lines are jet-

asoned.

Yet the existence of ADRs probably does not make a great difference to NatWest's shility to fund some mega-deal in the US. If such a deal precipitated another rights issue, at least those US investors who become owners of more NatWest shares via the New York Stock Exchange will smild the forced diluchange will avoid the forced dilu-tion that was inflicted on them by the last one. As far as UK shareholders are concerned this particular adventure will dilute the current year's earnings by about 3 per cent.

#### Reckitt & Colman

Perhaps Airwick was not such an expensive purchase for Reckitt & gain: Colman as the market thought at flow. the time. A 1.75 percentage point Reckitt's half time figures is largely the result of Airwick's integration; in the US the addition of Airwick to



Magic Mushroom brand which is one to sprout all over the place. Airwick must be regarded a success. Reckitt should repeat the performance with Durkee foods. It might mance with Durkee mods. It might not have been a scintillating busi-ness in the past, but after being passed from owner to owner just being part of a food group again will help. Putting it in with Reckitt's French, halving the number of fac-tories and turning two sales forces and headquarters into one of each should eventually give margins anshould eventually give margins an-

After interim profits of £86.5m, up from £57.7m, Reckitt should top

#### **United Biscuits**

The management of United Biscuits may wish to present a clearer picture of its post-Imperial business, but the City seems to have come away from yesterday's first-ever full-dress presentation of results with its old ideas intact. UB remains it accords a westerned well. mains, it seems, a mature and well-managed business but with a grea-ter commitment to productivity gains than to living within its cash

The figures themselves tell the fancy 31 per cent to £A7.5m, but growth before the interest benefits from the rights issue and cheaper

ume growth.
At Keebler, the profits recover

from last year's low point in the soft cookie war was 50 per cent in dollar terms. But the drain on UB's sterling equity base from expenditure at peak dollar rates has merely restored Keebler's 1983 profits at a higher sales level, with the soft co-okie market crumbling and no certainty that the war is won. That its sales were flat in the first half is cant encouragement to those who believe that Keebler – which is the group's only business large enough – can transform UB's profitability without dilution.

The prospect of 7 per cent earnings per share growth this year will do nothing for UB's rating at 11 times earnings. Even UB's new re-spect for cash neutrality might go out of the window if the right acquisition appears to sort out returns in Specialty Brands or the UK frozen food business.

#### Woolworth

bid for Woolworth did so in full certainty that the share price would drop, and they were not disappointed. To be consistent, they will now have to accept that the £15.9 ex-El45m for the year compared to transitionary cost of Woolworth's de-transitionary cost of Woolworth's de-prospective multiple under 14. couraging indication that Wool-berries a missing cure from the couraging indication that Wool-worth will meet its £105.5m forecast barring a mirecle cure from the worth will meet its £105.5m forecast pharmaceutical side, but steady 15 for the year, it is not noticeably per cent plus growth probably is more meaningful than interim figures from Woolworth have always been. Too much depends on the be otherwise; and too little informa tion so far exists on Operation Fo-cus to decide whether the institutions were right to stick with the

Woolworth strategy. So far as Focus is concerned, the only certainty is that elimination of unprofitable food and clothing must come through to profit, but gross margin improvements and volume gains in Woolworth's chosen mer-chandise areas have yet to make profit and loss. Comet appears to be recovering under its Dixons-reinhectic expansion does not yet seem to have resulted in an excess of floorspace. If the onus is on Wool-Bully broadened the range the sales dollar loans is a humbler 12 per force could work on, and Reckitt's cent. In the UK, UB continues to lafairly good start; but even down at similar benefits in Europe, there is gains in market share and productivity that are substitutes for price and of the evidence).

### Honeywell and NEC plan joint venture

By Louise Kehoe in Sen Francisco

HONEYWELL, a US compute maker, and NEC Corporation of Japan are to set up a joint venture company to market supercompu

The announcement came amid ing, including the sale of its entire

Honeywell already has close links with NEC, which supplies the central processing unit for Honeywell mainframe computers.

Honeywell's stock price fluctuat ed wildly in heavy trading on the New York Stock Exchange. The stock opened at \$74% and rose quickly to \$84, but fell back to \$78%

Honeywell may also sell its de-fence and controls businesses to Boeing and its mini-computer busi ness to Bull of France, according to a report issued yesterday by a New Yerk stock analyst.

Heneywell officials had no comment yesterday and Boeing also re-fused to comment.

Fuelling rumours of an imminent announcement are widespread resales. In May, Honeywell held preli-minary merger talks with Sperry Corporation, which was subsequently acquired by Burroughs. According to stock analysts, Hon-

eywell's recent stock price falls well below the value of the company, leading many to conclude that a major restructuring, including the A caller speaking in Arabic on be-half of the committee for the defence of Arab politician prisoners in sale of portions of the company's Europe warned that the bombins coerances, may seen occur. The New York Stock Exchange and yesterday that it had contacted went ahead to seek Mr Abdallah's

said yesterday that it had contacted Honeywell due to the unusual market activity in its stock and requested that it issue a statement indicating whether there were any developments explaining the activity.

The NYSE said the company de-clined to comment beyond this reported to be at an early stage and it is not clear that they will be atioust venture with NEC.

### Brussels plans to scrap four steel product quotas

press ahead with its plans to libera-lise the steel market in the EEC cent of production in spite of con-

sion agreed yesterday that four product categories - galvanised sheet, light sections, wire rod and merchant bars - should be freed

The decision seems certain to arouse fierce resistance from the steel industry's leading producers and from many member states, which will have to decide whether to approve the action before the end

It coincides with a move by the Commission to reduce the produc-tion quotas for many steel products in the last quarter of the year, which in itself was a recognition of

Community and abroad. Mr Karl-Heinz Narjes, the Com-

Paris bomb

Continued from Page 1

ianism on the right and within the

John Wyles writes from Ro

Fears that the terrorist campaign may also move into Italy were

heightened last night by threats re-

ceived by the Ansa newsagency of-

Not least of Mr Chirac's worries

kills 4

fice in Beirot.

of the year, altho from the current regime of controls there had been no real increase in

the sluggish market both within the

on the basis of the Commission de-cision. That will have to be submit-ted to 12 industry ministers from the first half of the year -up 35 per

ugh it recognised lar, producers say. the fall in oil prices.

The removal of the four steel products from quots restrictions to 3.39m tonnes, from 3.83m tonnes would reduce the proportion of total in the present quarter, and for mercent of the production subject to control chant hars from 2.176m tonnes to 2.062m tonnes. Other cuts are for

missioner responsible for the steel depressed state of the market, and industry, will now draw up detailed a sharp increase in competition proposals for the 1987 steel regime from Third World producers.

the member countries for approval cant on 1985 – and a slump in exports, down 23 per cent in the same ports, down 23 per cent in the same period. The main reason is the diversion of exports from the US market would pick up towards the end of the year, although it recommends

The Commission's decisi ducers, protected by minimum fourth quarter of the current year is prices, were also benefiting from a response to the producers' com-

The quota for hot-rolled coil is cut from 65 to 45 per cent, he said.

The products are those for which wire rod (down from 2212m wire rod (down from 2212m wire rod (down from 2212m wire rod (down from 1 m to 956,000 tonnes). Eurofer, the association of major
European steel producers, has been calling for a slowdown in the liberalisation process because of the marginally increased.

# Warner sales may fund

WARNER Communications, the US media bu soon be buying into the cinema

Mr Steven Ross, the company's chairman, said at the Warner annu-al meeting in Los Angeles on Tues-day that be had more than \$1bn in

extradition to Italy. Most ministers were dismayed yesterday to learn that the Justice hibitor by a consent decree arising Ministry had started extradition proceedings against Mr Abdallah

expansion into cinemas

film production and entertainment of a takeover threat to Warner itself company which has turned around business in the face of sluggish treme right to give the police an sales. In May, Honovard hold prelication and entertainment of a use over threat to warner itself company which has turned around all argue for a substantial acquisibusiness in the face of sluggish treme right to give the police an after disposing of its loss-making sales. In May, Honovard hold prelication and entertainment of a use over threat to warner itself to make the company which has turned around all argue for a substantial acquisition.

Warner's cash holdings come from a \$500m issue of preferred from a \$500m issue of preferre

> cash available and was "looking at quite a number of possible acquisi-tions" including cinema chains. Warner received clearance only last week from the US Justice Department to start buying cinemas. It had been barred for over 30 years from becoming a motion picture ex-

from anti trust suits against the major Hollywood film studies.

Although Mr Ross said that he

from a \$500m issue of preferred stock last month plus recent sales of syndication rights for television shows, worth \$700m. The main altemative use for the compa would be the purchase of a \$17.4 per cent stake in Warner held by Chris-Craft, the media holding company controlled by Mr Herbert Siegel. Mr Siegel, who sits on the Warner board, opposed the issue of pre-ferred stock last month and is re-

#### portedly concerned about the steady dilution of his Warner hold-Chris-Craft initially acquired a 30 per cent stake in Warner two years conomic policymaking. ago as a "white knight" when Warn-

Fund said that it expected a recov ery in world economic growth after the pause in the first half of 1986. It predicted that output would grow by an average 3 per cent in industri-

The huge US current account deficit and the parallel surpluses in Ja-pan and West Germany, however, remain a threat to balanced growth.

At the same time many develop General Motors' attempt to buy at would be happy to illustrate the ing countries faced greatly intensi-Land Rover and Leyland Trucks in contents of our proposals. field economic problems because of the UK, and Ford's own earlier Mr Romiti, who was accused last the sharp slowdown in world trade

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World Weather

### would not be "rushing into buying er was struggling with its Abri anything," his company's strong losses and feared a takeover by Mr cash position, the widespread consolidation taking place in the US born newpaper publisher.

Alfa stake for Ford

Continued from Page 1

in Italy, it made no move to deny minister, said: "I want to express their accuracy.

However, even if it was possible to move quickly to a formal agree-industry minister then said that ment in principle between the two given the importance of the matter within Ford that there could be

ly considerable concern. The fate of to the "invitation" by saying that Fi-

immediate parties, Ford and Fin- he wished to invite any "domestic" meccanica, there appears to be an car makers to advance their own understandable mood of caution proposals for Alfa Romeo. Within two hours of these com some awkward political hurdles to ments by Mr Zanone (who is also a negotiate within Italy before a final long-serving MP from Turin), Mr deal could be signed and sealed.

Cesare Romiti, managing director Fiat's next moves are of potential- of the Turin-based Fiat, responded

talks about acquiring Austin Rover, June by Iri of trying to subotage a foundered mainly on belated public possible Ford-Alfa deal, said that and political protests.

Yesterday afternoon in Rome, Mr Sught "to help seek solutions" for Valerio Zanone, Italy's industry Alfa.

He was accused as the sharp antwoown would will be sharp antwoown with worth the ford-Alfa talks. Fiat had sought "to help seek solutions" for Valerio Zanone, Italy's industry Alfa.

Report details, Page 4

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### Banco de Vizcaya sets up smooth succession at top

MR PEDRO TOLEDO, managing director of Banco de Vizzaya, has been appointed to succeed Mr Angel Galindez as the bank's chairman, in a smooth succession which is in stark contrast with recent transmatic unhanced at the ton traumatic upheavals at the top of Spain's so-called big seven private banks.

Mr Toledo, 51, joined Vizzaya in 1968, became managing director in 1978, and had his role as heir apparent to Mr Galindez confirmed in 1983 when he was appointed deputy

Mr Galindez, 68. Vizcaya's chairman for the past 11 years, will formally stand down on January 31. The smoothness of January 31. The smoothness of the transition, over a period of more than four months, is unusual in Spanish banking circles, where top appointments have, in some cases, been forced by circumstances and have traditionally prompted boardroom acrimony.

boardroom acrimony.

Mr Toledo made his mark on Viscaya, Spain's sixth largest hank in deposit terms, by emphasising managerial expertise and by building up a closely-knit team of executives that came to play a key role in rescuing ailing financial institutions during the prolonged Spanish banking crisis that set in during the midseventies.

The know-how that Vizcava

take over the chairmanship of Banco de Vizcaya from the end of January, in succession to Mr Angel Galindez

ties of the crisis and returning them to financial health cul-minated in its 1982 takeover of Banca Catalana, the fore-most of the banks that crashed.

Among Mr Toledo's proteges were Mr Carlos Solchaga, who left the bank to enter politics and is the current Economy Minister, and Mr Claudio Aranzadi, who was appointed chair-man of INI, the public sector holding company, in July.

Much like Mr Galindez, the outgoing chairman, Mr Toledo is a self-made man, a profes-sional economist and an out-sider in the banking and business oligarchy of Bilbao, the industrial hub of the Basque country where Banco de Vizcaya has its headquarters.

Last year the bank registered a 23 per cent growth in net profits to Pta 13.16bn (\$86.4m) and upped its annual dividend to Pta 227 a share from to Pta 227 a share from Pta 212. The earnings increase came after an 18 per cent rise

MARRIOTT CORPORATION, the leading US hotel concern with interests in restaurants and other food services, has elected Mr Richard E. Marriott, 47, vice chairman from October 2, in succession to Mr Don G. Mitchell, 31, who is to remain on the beard.

board.

Mr Marriott relinquishes some of his present responsibilities, to allow him time not only for the vice chairmanship role, but also for that of chairman of First Media Corporation, which is owned by the Marriott family, and runs radio and television stations.

Mr Francis W Cach is to take

stations.

Mr Francis W. Cash is to take over Marriott's restaurant operations, which had been run by Mr Marriott, from November 1. Mr Cash, an executive vice president, moves up from being in charge of the group's Roy Rogers fast foods restaurants.

### Sun Life of Canada leadership plan alters

By Bernard Simon in Toronto SUN LIFE ASSURANCE,

Canada's second biggest life insurer, has appointed Mr John Gardner as president to succeed Mr Jack Brindle who is to take early retirement on

Becember 31.

Mr Gardner, aged 48, is currently senior vice-president in charge of Sun Life's US operations. Mr Brindle, 64, was due to return to Evaluate a live with his to England to live with his

family.

The Teronto-based company says that Mr Thomas Galt, its chairman and chief executive officer, will not retire as planned this year, but will stay on to oversee the new senior management team. No new retirement date has been set retirement date has been set for Mr Galt, aged 65.
Sun Life's assets grew by 25 per cent last year to C\$29.6bn (US\$21.4bn) and the strong growth has continued in 1986.

Newsweek president NEWSWEEK, a subsidiary of Washington Post Company, has said that Mr Mark M. Edmiston has resigned as president "to pursue other interests" interests."

He is to be replaced by Mr Christopher M. Little, senior vice-president.

### New chief executive at Triumph-Adler

German office equipment com-pany which Olivetti, the Italian-based concern, has taken over

Mr Tato worked for Olivetti

Nadebuseh, who had the top job at TA for two years, after serving as head of VW's operations in Nigeria. Mr Nadebusch is returning to other tasks within the VW group.

The management change had been widely expected, since it successor.

MR FRANCESCO TATO, aged was announced earlier this year 54, is taking over with that Olivetti was taking over immediate effect as chief executive of Triumph-Adler, the West The takeover was approved in Luly by the Garage

pany which Olivetti, the Itahan-based concern, has taken over from Volkswagen, the West German motor group.

Mr Tato worked for Onivertification of Colivetti's chairman, Mr Carlo de Benedetti. He had also headed Kienzle, the office equipment subsidiary of the Mannes-

### Former Garrett chairman quits Allied-Signal board

ALLIED-SIGNAL, the diversified New Jersey-based group with interests in zerospace, electronics and the automotive industry, as well as in synthetic fibres and plastics, has announced the resignation from the board of Mr Harry H. Wetzel, aged 66, for "personal reasons."

Skelmersdale, in Lancashire. BurLINGTON INDUSTRI has elected Mr Frank Greenbe as chairman and chief exertive, in succession to william Klopman, who is to tire on September 30.

Mr Klopman will remain

The group was formed last year by the merger of The Signal Companies, of the US west coast, into Allied Corporation of the

Mr Wetzel was from 1966 to early last year chairman and chief executive of Garrett Cor-poration, a part of the group which this month amounced a £10m (\$15m) investment in its vehicle turbo-charger plant at

BURLINGTON INDUSTRIES has elected Mr Frank Greenberg as chairman and chief execu-

as chairman and chief executive, in succession to Mr William Klopman, who is to retire on September 30.

Mr Klopman will remain on the board of directors. Mr Greenberg, 57, currently serves as president and will be replaced by Mr Lanty Smith, executive vice-president of Burlington.

ington.

Mr Donald Hughes, the chief financial officer, has been appointed vice-chairman, retaining the post of chief financial officer.

# Accountancy Appointments

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Our client is a subsidiary of a large international Trading Group. The UK operation is in the FMCG business, ranging from "high tach" diagnostic equipment to ser-vice industry hard parts, safety related and phyco-graphic accessories. The su cessful candidate will report to the Chief Executive with a strong functional relationship to the holding

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South West

Our client is engaged in the volume production of precision metal fabrications and is part of a successful and substantial group of companies. The company is strongly profitable and is expecting to grow rapidly with turnover reaching £15m. in three to four years.

A financial manager is required whose strengths lie in development rather then in the maintenance of the status quo.

He or she should have a strong background in manufacturing engineering and should have sound standard costing systems and management reporting.

A high degree of familiarity with computers and computerised systems is essential as the financial manager is £20,000 + Car

to play a key role in the installation and running of a fully integrated information system.

Apart from well developed management accounting and systems skills, a sound appreciation of the need for financial accounting integrity and financial control is also essential.

Applicants' technical ability should be matched by strength of personality and purpose. You should be a qualified accountant, preferably ACMA and should be well equipped to play an influential role in the ent of the cot

Write in confidence, enclosing a full curriculum vitae and quoting reference no. L/620 to Dr. Miranda Hughes, Executive Selection Division.



Peat, Marwick, Mitchell & Co., City Square House, 7 Wellington Street, Leeds, LS1 4DW

### Financial Controller

Oxford

Our client is the world's leading manufacturer of computer-assisted audio mixing systems. Recently merged with a major public engineering and technology group, the company has an international reputation for the quality of its products and for its innovative

c.£22,000

the quanty or its products and for its minovaive approach. Based in pleasant rural surroundings the company is committed to the development of increasingly sophisticated products which will ensure continued growth in the future.

The company is currently seeking a Financial Controller to head a team of eight and take responsibility for the provision of financial information for both the LHC and the company is 11.5 subsidient.

for both the U.K. and the company's U.S. subsidiary. Reporting to the Finance Director, prime tasks will be the implementation of a computerised accounting system and the review and development of reporting, planning, control and costing systems.

Candidates should be qualified accountants aged between 28 and 35 with at least four years post qualification experience, ideally gained in a manufacturing environment. Exposure to U.S. accounting practices and experience of implementing computerised accounting systems would be an advantage. Personal attributes must include a flexible and pragmatic approach; good man management skills and an outgoing and lively personality. In return, opportunities exist for the right person to develop within

the company.

Please reply in confidence, giving concise career, personal and salary details, quoting Ref. ER885 to:

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A fully qualified accountant with 6-10 years' experience in an oil industry or related auditing firm, your knowledge will include management expertise in computerised financial systems and an understanding of Database systems in a multi-company environment.

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Audit liaison - responding to partner audits Audit sessor \* responding to parties souchs; and procedure/policy controls will be your major duties as well as assisting other groups. You should have 3-5 years\* experience including oil and gas expertise gained in an accounting, audit department or public accounting environment. Practical experience of writing financial policies and procedures is also financial policies and procedures is also required. Newly qualified or part-qualified Accountants are required.

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Here your work will centre on the following elements: performance reporting; Corporation Tax; PRT; budget preparation and Capital Administration. Computer literate, your 1-3 years' experience should preferably include oil and gas company expertise. Part-qualification would be desirable.

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and the successful candidates will be capable

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advertising company, or in auditing such

In addition to strong technical skills, the successful candidate will have a strong. outgoing personality, a quick and perceptive mind and be able to employ a shirt-sleeves approach. A sense of humour would be a definite advantage.

The position offers an excellent opportunity for the right person to develop in a growing and exciting company. Please write in confidence enclosing career details and quoting reference 6467/L. to Anne Routledge, Executive Selection

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Heathrow

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articles with one of the 'big eight'

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accounting firms. A knowledge of GAAP and SEC reporting requirements will be advantageous. Key personal attributes sought are effective communicative and interpersonal skills within European/ US cultures and a hi-tech environment, flexibility and independence of mind, and a minimal

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South Wales

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# A key role in monitoring

financial performance

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Authority is the second largest region in England, with an annual revenue budget of £900 million, spread across 19 District. Health Authorities and including a Capital Programme of £70 million per year. This key position represents an excellent opportunity to work at the forefront of public service finance. Reporting to the Assistant General Manager, you'll be responsible for managing a major section of the Treasurer's Department. You will be heaulty involved in all aspects of the heavily involved in all aspects of the Department's operations through monitoring District and Regional financial performance and the achievement of short term plans, liaising

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This is a highly innovative role, involving the development. implementation and maintenance of Region-wide financial accountancy systems in collaboration with the Regional Computer Services Manager. Additionally you will be expected to

Salary up to £25,000 p.a.

contribute to the future success of the department through your involvement in the Regional Finance Training Scheme. CIPFA qualified or the holder of a similar accounting qualification and ideally in your mid-late 30's, you will have extensive experience of financial monitoring gained in the public service, industry or commerce. Good managerial and communication skills together with the ability to interpret information quickly, are essential. Additionally you will need the strength of character to push through difficult decisions.

If you feel you possess the right professional and managerial qualities for this position, write or telephone for an application form and job description to the Regional Personnel Division, Gataway House, Piccadilly South, Manchester M60 7LP, quoting reference number 8.112/A. Tek 061-236 9456, Ext. 614.

Closing date for receipt of completed application forms 12.0nn, Friday, 3rd October, 1986.

NORTH WESTERN REGIONAL HEALTH AUTHORITY

## Finance Director

Manufacturing Group — South West circa £35,000 + bonus + car

As a member of a highly successful public group operating with a considerable degree of autonomy, our client is seeking a Finance Director to strengthen the management team in the further expansion of this profitable and well-established medium sized engineering manufacturing business

operating from sites in the UK and Reporting to the Managing Director, the Finance Director will be expected to guide and strengthen financial planning and management of the Company and to assume full responsibility for managing and developing the Company's financial profile both within the Group and with external city Institutions. Supported by an experienced accounting team, the successful applicant will

assume responsibility for all aspects of financial accounting, reporting, budgeting, acquisition funding and taxation work.

This is a high profile leadership role where the Finance Director's success will be measured by the degree to which the Company's financial situation satisfies external appraisal and internal strategic objectives.

The need is for a qualified accountant, age 35/40 who has considerable progressive experience outside the profession, preferably gained in a substantial manufacturing company. The person appointed will have worked in a decision making role in senior financial management at Board level where he/she will have gained robust operational experience. As well as

Institutional experience, a broad technical background demonstrating flexibility, energy and excellent com-munication skills are key requirements.

Remuneration is negotiable with benefits reflecting major company practice. Relocation assistance will be paid where necessary. Candidates should write enclosing

a full curriculum vitae and stating any company to whom they would not wish their application to be disclosed, quoting reference MCS 9186 to Jeremy Pakenham. Executive Selection Division
Price Waterhouse Management Consultants Clifton Heights

Price Waterhouse



### **Finance** Director

High-growth equipment leasing company

to £35,000 + car

Thomson McLintock

Management Consultants
70 Finsbury Pavement London EC2A 1SX

Since its inception in 1981, this subsidiary of a large American multinational corporation has grown rapidly and now has assets of £75m. It deals exclusively with UK customers and specialises in leasing large capital items. Further development is planned including diversification into mortgage lending and

This growth has created the need for a Finance Director to control the accounting, pricing and cash management functions and to contribute cash management functions and to contribute to the policy and decision-making process. The position reports to the Managing Director and will involve evaluating potential acquisitions and developing new procedures to reflect the growth and changing nature of the company.

Candidates should be qualified accountants, Candidates should be qualmed accountains, probably in their mid-30's, who combine sound technical knowledge with business acumen. Ideally they should already have gained experience in the financial services sector and should be familiar with computerised

accounting systems. Please write in confidence to: Jane Woodward

# Graduate **ACMAs**

aged 30-40 to £35,000 + car & benefits

Recent developments in technology and ever increasing competitiveness in the market place means that our clients demand rapid yet high quality solutions to increasingly complex problems. As a member of our successful management consultancy, your

Based in London, Birmingham or Manchester you'll be helping some of the country's most prestigious and innovative enterprises; working with senior management on substantial projects which will have a real impact on profusbility and

Our rapid growth means we now seek additional high calibre graduate ACMAs, with line experience of financial and management accounting. Involvement in large scale MIS projects is essential, perhaps in a consultancy role. Experience should include at least one of the following:-

Corporate Planning
 Feasibility Profitability Studies
 Cost Reduction Exercises

This is an opportunity not only to combine significant career development with technical challenge, but also to work with bright and highly committed colleagues, often in a multi-disciplinary team. To apply please send full personal and career details (including daytime telephone number) to Martin Manning, quoting reference 3035/FT on both envelope and letter.

### "3 MANAGERS WITH TECHNICAL SKILL

CITY OF LONDON ACA's 28-35

£18,000 -£28,000 + car

Our client is a major "top 15" international firm of chartered accountants with a sophisticated technical department able to accommodate the following:

- 1. EDP SUPPORT MANAGER probably a Mathematics or Computer Science Graduate ACA with a computer audit background and with an interest in Micro Computing, computer modelling etc., capable of developing Computer Audit "state of the art" software plus reacting to any specialist client need requiring a one-off Computer solution from business planning to treasury models. £25,000 - £28,000 + car.
- 2. "HOT" AUDIT REVIEW MANAGER ideally a top grade audit manager or assistant manager - graduate ACA from a major firm keen to develop "hot" review procedures at the audit planning stage, mid audit and end of large audit WOLK. £20,000 - £25,000 + car.
- 3. TECHNICAL MANAGER possibly a high calibre assistant audit manager graduate ACA keen to get involved on a two year or career basis in producing technical newsletters, accounting policy interpretation briefs and providing technical opinions on practice problems nationwide plus liaison internationally. £18,000 - £25,000 + car.

### **PROSPECTS**

With the increasing demand for the above services within the firm and a rapidly developing potential for fee generating work externally, all three posts could have partner potential.

For more information, please contact George Ormrod B.A. (Oxon) or Stephen Hackett B.A. (Oxon) on 01-836 9501 or write with your C.V. to Douglas Llambias Associates at our London office quoting reference No. 7091.

410 Strand, London WC2R ONS. Tel: 01-836 9501 163a Bath Street, Glasgow G2 4SQ. Tel: 041-226 3101 Iodia Buildings, Water Street, Liverpool L2 ORA. Tel: 051-227 1412 113/115 George Street, Edinburgh EH2 4/N. Tel: 031-225 7744 Brook House, 77 Fountain Street Manchester M2 2EE. Tel: 061-236 1553

### Management Consultancy with Haskins+Sels P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

### **Internal Audit** Manager

£26810 - £28825 p.a. incl.

The Central Electricity Generating Board is looking for a qualified accountant with several years experience in the application of computer systems for financial control and a proven record at senior level in internal audit and/or financial/management accounting.

The successful candidate will have managerial responsibility for the ongoing internal audit service covering Headquarters Departments and associated offices and, as such, will be a senior member of a team under the central direction of the Head of Internal Audit, providing an independent internal audit function throughout CEGB.

The job holder will have a primary responsibility for maintaining and developing a computer audit service to keep abreast of current and impending techniques and applications relating to mainframe (IBM and ICL) and distributed processing computer installations. He/she will be required to plan and co-ordinate the training of internal audit staff in computer based systems, including the formulation of interrogation programs, and to provide specialist advice to outstationed audit teams.

Applications in writing only stating age, qualifications and experience including present salary to the Personnel Manager, CEGB, Sudbury House, 15 Newgate Street, London EC1A 7AU by 30 September 1986. Quote reference 279/86/MG/FT.

The CEGB is an equal opportunity employer.



### Tomorrow's Challenge

City

**Deloitte** 

From £20,000 + Bonus + Car

Continually striving to break new ground, our client, a major City service group, is currently diversifying its trading activities within the UK. The group is on the acquisitions trail and committed to substantial growth in the foreseeable future. Consequently, a qualified accountant is sought, aged 25-30, who can identify with this single minded approach and is eager to take on a variety of challenges.

The immediate requirement being the establishment and implementation of financial and management information systems for recent acquisitions, geared to supporting their business objectives both today and in the future.

Career opportunities are exceptional and the position represents a rare opportunity to join the group at an exciting stage of growth and make a positive contribution to its continued success. Salary will not be a limiting factor and the comprehensive benefits package includes an exceptional annual bonus and full relocation expenses where appropriate.

Write with full CV and daytime telephone number to Patrick Donnelly quoting ref: FT/116.



The Finance Index

Financial Recruitment Consultants 11 Palmer Street London SW1H 0AB Tel: 01-222 5169/1181

### GENERAL APPOINTMENTS

Appear every WEDNESDAY

Rate £41 per single column centimetre

### **QUALIFIED ACCOUNTANT**

City Banking House

Licensed Deposit Taking Institution and Licensed Dealer in Securities (wholly owned subsidiary of foreign bank), total staff 20+ but with a wide range of banking activities, seeks a qualified accountant late 20's/early 30's to head up the Accounting Department and internal administrative functions.

The company maintains an IBM 34 and the job requirement includes running and developing the accounting and internal audit systems, preparation of statutory and monthly management accounts, returns to supervisory authorities (UK and overseas), monitoring treasury and foreign exchange operations, dealing with personne matters, taxation, pensions, etc.

Candidate must relate closely to senior management and the managers of the operational departments in a small but dynamic growing environment. A competitive salary with usual benefits is being offered to the right person.

> Apply with detailed C.V. to: Managing Director

Box A0257, Financial Times, 10 Cannon Street, London EC4P 4BY

#### F.D. Designate North London £20,000 + car

within six months and progress into a general management role, with an equity interest in

the near future.

Applicants are invited from qualified accountants aged 28 to 35 who can offer a practical

With a record of continued growth through acquisition and expansion of activities, our client now has a turnover in terror of \$200. A Financial Controller is

sought to balance the management team and to take responsibility for all financial and administrative activities as well as to strengthen cost control and management

reporting systems.
It is anticipated that the successful candidate will

approach to accounting and financial management in the smaller company environment. For further information call

Brien Cognet FCCA on 01-387 5400 (evenings on 0923 720284) or write to him

FINANCIAL SELECTION SERVICES

General Appointments

Appear every
WEDNESDAY

Accountancy Appointments

> Appear every THURSDAY

Rates
£41 per
single column
centimetre

### **Group financial director**

Home Counties, c £35,000



For an innovative and expanding publishing based group with diversifying interests whose turnover this year is expected to be around £30m.

Reporting to the Group Managing Director you will have total responsibility for the financial function. Initially an important aspect of the role will be to improve the effectiveness of the function and to review and develop the group management information systems. You will also play a leading role in merger and acquisition opportunities and in the Group's external financial relationships.

A qualified accountant, probably aged around 40, you will already have made your mark managing a sizeable finance unit servicing a multi-product, high transaction volume environment. Willing to involve your staff, you must be a positive and decisive person with a broad business perspective and good negotiating skills.

Résumés including a daytime telephone number to Torrance Smith, Executive Selection Division. Ref. 8561.

Coopers &Lybrand associates Coopers & Lybrand Associates Limited management consultants

Shelley House 3 Noble Street London EC2V 7DQ

### **Finance Director**



Senior Secretaries Group Ltd

London, W1

to £30,000 + car & share options

This highly profitable Group specialises in placing quality permanent and temporary secretarial staff. Turnover is communing to increase substantially and further growth and acquisitions are planned. A 1987 USM listing is anticipated.

This is a newly created position within the Group and the Finance Director will report to the Chief Executive. Responsibilities will include financial management systems and administration. Key tasks will be ensuring a successful flotation and evaluating

Candidates, probably in their 30's, will be qualified Accountants with the ability to work at a strategic and an operational level.

Qualities must include proven management skills and the ability

to negotiate confidently with City institutions. Benefits include a car, pension and share options.

Please reply to Kay Rose in strict confidence with details of age, career and salary progression, education and qualifications, quoting reference 1640/FT on both envelope and letter.

**Deloitte Haskins+Sells** 

Management Consultancy Division

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

### **Banking and Leasing Executive**

#### **Central London**

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This is an important position within the headquarters of one of the UK's most prestigious financial groups. It is a developing role in a changing environment with excellent

Working closely with the central banking and leasing manager you will be involved in all espects of leasing including negotiations with lessors, advising on lease/purchase decisions, management reporting and the financial and accounting aspects of legal agreements. Additional responsibility for providing a full accounting service for the group's leasing subsidiary could also be included for those applicants with the

125 High Holborn

£18-22,000 + mortgage etc

appropriate experience and qualification.

Projects on the banking side will include reviewing the group's banking arrangements and investigating and discussing with major finance houses the provision of new services to support the group's operations and finance new products.

Professible and under 35, applicants about the products.

Preferably aged under 35, applicants should have lessing and/or banking experience. A financial or accounting quaffication would be an advantage.

Please write with full career details or telephone David Tod BSc FCA on 01-405 3499 quoting

erence D/488/RF.

Lloyd Managemen

### **BRIGHT YOUNG ACCOUNTANT**

**Active Energy Industry Company** 

London

to £22,000 plus impressive benefits

Our client is an American based multi-national with extensive interest in the energy industry, including a strong presence in the bouyant natural gas sector.

The person appointed will be involved in all aspects of corporate reporting, using IBM PC's and NOMAD, the latest fourth generation software. The development of the reporting system will be an integral part of the role. Candidates must be chartered accountants with 2-3 year's post-qualification experience. Familiarity with U.S. reporting procedures would be an advantage.

Career prospects are excellent and the position carries an attractive range of fringe benefits.

Written applications, enclosing up-to-date curriculum vitae, should be submitted in strict confidence to Exic Station at our London address, quoting reference no. 1024/6984.

410 Shand, London WC2R ONS. Tel: 01-836 9501 163a Bath Street, Glasgow G2 4SQ. Tel: 041-226 3101 India Buildings, Water Street, Liverpool L2 ORA. Tel: 051-227 1412 113/115 George Street, Edinburgh EH2 4IN. Tel: 031-225 7744 Brook House, 77 Fountain Street Manchester M2 2EE. Tel: 061-236 1553 DOUGLAS
LLAMBLAS
Douglas Limited
Accountancy & Monogenerit
Recruitment Consultants

NEWLY QUALIFIED

### ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations. We propose to publish the list in our issue of Thursday, September 25, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." The advertising rate will be £41.00 per single volumn centimetre. Special positions are available by arrangement at premium rates of £49.00 per scc.

Newly qualified Chartered Accountants are never easy to recruit—do not miss this opportunity! We will also be inluding in this feature a

## GUIDE TO RECRUITMENT CONSULTANTS

and entries in the Guide will be charged at £60.00 which will include company name, address and telephone number:

For further details, please telephone:

Louise Hunter

on 01-248 4864

Jane Liversidge
on 01-248 5205

or Daniel Berry

on 01-248 4782

Europe's Business Newspaper

### Taxation Specialists

# for the largest tax department in British private industry

By recruiting, during the last year, a number of high calibre accountants and Inspectors of Taxes, we have now created not only the largest, but also one of the best tax departments in British private industry.

We wish to augment our team by recruiting two more people of similar calibre. You must be either a graduate qualified accountant, who has passed your accounting examinations at the first attempt and has up to two years experience, specialising in tax, or, a graduate fully trained Inspector of Taxes operating up to and including Inspector (P) level. Preferred maximum age for accountants 28 — for Tax Inspectors 32.

Duties will include a mix of compliance/advisory work, the objective being to assist in the development of plans for legally avoiding, reducing or deferring tax payments.

Career prospects in Group Tax department and within the BP Group as a whole are good. Salaries will depend on age and experience. Other benefits include non-contributory pension, London allowance, subsidised luncheon club and interest free season ficket loan.



If you meet the above requirements and want to know more, please write or telephone for an application form to David Lear, Group Head Office Personnel, The British Petroleum Company p.l.c., Britannic House, Moor Lane, London EC2Y 9BU. Tel: 01-920 6957.

BP is an equal opportunity employer

### The British Petroleum Company p.l.c.

SAMUEL LEWIS HOUSING TRUST

#### FINANCIAL CONTROLLER

London • £23,000+Car

We are a substantial and progressive Housing Trust controlling a Group of housing organisations, with assets of £42 million and a multi-million pound capital programme. The Group provides homes for ten thousand people through a combination of public and private funding and has an annual turnover of £3.6m.

Reporting to the Chief Executive and supported by a Department of 15 that includes both qualified and part-qualified accountants and a Wang VS60, the Financial Controller has responsibility for the complete financial function of the whole Group. This will include the management and control of the Group's financial assets, controlling the planning and budgeting process, appraising new projects, refining management reporting, systems development and, through the Senior Management Team of which he or she will be a key member, contributing to policy development.

For a practical, experienced and well-qualified accountant with a lively mind and leen commercial sense, this position offers an excellent opportunity to join an energetic and expanding organisation.

The attractive remuneration package includes a car, non-contributory pension and other good benefits.

Please reply with full career details to: Gillian Walton, Personnel Manager, Samuel Lewis Housing Trust, Knights' Court, 6/8 St John's Square, London BCIM 4DE. Telephone 01-251 6091.

#### .Croydon & South of England

Our client ALLDERS DEPARTMENT STORES LTD., with 13 stores and a turnover of over £250m, is a major division of HANSON TRUST PLC. As the result of continuing expansion several vacancies have arisen in the accounts department, which is constantly under pressure to respond to the challenge of providing the most up-to-date information possible using the latest computer techniques. Candidates (male/female) who are either ACA, ACMA or ACCA must be self-motivated, flexible and willing to relocate. In return, the company offers excellent career prospects, not only in this division but throughout the Group. In addition to the salaries offered there are attractive fringe benefits. The vacancies exist at two levels:

### **Financial Controllers**

To £25,000 inc. bonus + car

Each successful candidate will be appointed within less than twelve months as Financial Controller to one of the stores. He/she must possess, as a senior member of the management team, proven administrative skills, with the ability to control a staff of 50. Whilst significant computerisation has already taken place major changes are planned within 1-2 years. A good systems background is therefore desirable coupled with a strong commercial flair. Ref. 1397/FT.

# **Asst. Financial Controllers**

c£20,000 inc. bonus + car

Young accountants will find that the fast-moving world of HANSON TRUST offers opportunities rarely encountered within a single organisation. The vacancies initially will involve working closely with the Financial Director on a variety of assignments, designed to acquaint the successful candidates with all aspects of the company's operations prior to assuming line financial responsibility within 1-2 years. Ref. 1398/FT.

Write or telephone for an application form or send full details (with day-time telephone mumi

Write or telephone for an application form or send full details (with day-time telephone number and current salary) to R.P. Carpenter, F.C.A., F.C.M.A., A.C.I.S., 2-5 Old Bond Street, London W.I.X. 3TB, Tel: 01-493 0156 (24 hours).

# -Phillips & Carpenter-

# ASSISTANT TO FINANCE DIRECTOR

West End

c.£20,000

Our client is a public company and is extremely successful in the residential

property redevelopment market.

Recent expansion demands the appointment of a chartered accountant, probably in his or her mid twenties, to assist the finance director in managing the accounting function and providing the board with management information. This is an excellent opportunity to gain broad ranging financial experience

in a very successful organisation.

Please address brief personal and career details to Douglas G. Mizon, quoting reference F/996/M, at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.



### FINANCIAL CONTROLLER

North London package to £30,000

Recent changes in the organisation structure of UDT—one of Britain's major finance houses and a member of the TSB Group—has provided this excellent opportunity for appointment to a senior financial post within the Company's largest division whose prime activity is vehicle

The division is now well poised for considerable expansion within its major markets but is aware of the need to maintain proper financial controls while at the same time providing appropriate succession planning within a small but dynamic environment. We therefore wish to recruit an experienced Financial Controller to be responsible for the management and control of financial and management accounting as well as the provision of effective management information and proper

Suitable candidates, ideally in their early 30s, will be graduates with an MEA or accounting qualification with a proven record of achievement in a large company environment. Experience of the development and implementation of accounting procedures and controls together with the analysis and presentation of management information using data base technology on IBM Maintrame and PCs would be an advantage. You will be a highly committed individual with well-developed inter-active and communication skills who is ambitious to take on a role which provides you with an opportunity to play a major part in the future strategy of a fast moving and aggressive organisation.

An attractive remuneration package is offered including non-contributory pension, mortgage subsidy, BUPA and Company car.

Please send a detailed but concise CV or telephone for an application. form to Keith Pusey, Controller, Personnel Operations, United Dominions Trust Limited, Holbrook House, 116 Cockfosters Road, Cockfosters, Barnet, Herts EN4 0DY, lephone 01-449 5533 ext. 2395.



United Dominions Trust Ltd

### INTERNATIONAL CONSULTANCY IN FINANCE London base

### How much could you contribute to our progress?

In today's Cable and Wireless you'll find Group companies at work in more than 49 countries, providing expert, creative solutions to the most complex telecommunications demands

it is an approach that has earned us a powerful position in world markets as one of the largest, most impostive organisations in this fast-developing field of high technology.

And it's an approach that now requires the creation, in the London based Finance Department, of a strong team with financial expertise. This will be a central task-force of consultants, on cell to assist each operating company in our worldwide network, to continue managing existing business, to meet changing demands and tackle new market

For the dynamic and ambitious qualified Accountant, preferably aged 28-35, the brief means being prepared for assignment on a range of projects as broad in diversity as in geography. You should be prepared to spend a significant part of your time at operating companies in the UK and overseas. You must be capable of working

on your own and as a member of a team. It is essential that you have the stillty to contribute a mature and original approach to assignments which may have a fundamental impact on the future performance of this International Group. Success here could lead to a number of management opportunities at almost any location at which the Group is represented.

Are you confident you could make a real contribution in this environment? Have you had a number of years' post-qualification experience either in a large professional firm or in a progressive commercial company? Have you designed and implemented computerised financial systems?

The salary will be individually tailored to attract the best and benefits will include car, BUPA and relocation expenses where

Please send your CV to: Recruitment Manager, Cable and Wireless plc, Mercury House, Theobalds Road, London WC1X 8RX.



Cable and Wireless Helps the world communicate



FINANCIAL CONTROLLER Multinational Retail Group C. 225,000+CAR ACCA/ICMA/ACA Min. 2 yrs commercial exp. Tel. Mr. Stripple

01.631 0875

### Advertising **Appointments**

centimetre and £12 per line

£41 per single column

Premium positions will be charged £49 per single column centimetre

For further information.

Louise Hunter

01-248 4864 --

01-248 5205

Daniel Berry

01-248 4782

### Finance and commercial director



East Midlands, £27,000 + car

The Airports Act 1986 will effect major changes in those airports which are currently owned and controlled by local authorities. They will become Public Airport Companies and commence trading in April 1987. East Midlands International Airport is one of Britian's leading provincial airports with a turnover of £11 million. Now in its 22nd year it has a throughput of over a million passengers a year and a heavy cargo business

This newly created position carries total responsibility for its Financial and Commercial Management. There will be an urgent need to develop financial and management information systems and ensure a smooth transition from public sector accounting methods. Commercially there will be responsibility for terminal management, property, concessions and marketing. The role is therefore highly challenging and varied.

A qualified accountant, you should have had considerable senior financial management experience at operational rather than head office level. You will need to be equally capable of taking a hands-on approach to managing a large department as well as the lead in strategic financial and business planning. Your career should already have broadened into commercial management and any experience in transportation or a similar service industry could be highly advantageous.

Résumes please, including a daytime telephone number to David Owens, Executive Selection Division, reference D200A.



Coopers and Lybrand Associates Limited management consultants

22a The Ropewalk Nottingham NG1 5DT

### Finance Manager Financial services PLC c.£20,000 + City benefits

For the CA in his or her late 20s, this is the opportunity to gain that all-important Head Office exposure — with a successful, City-based financial services company.

As Finance Manager, you will be a member of a close-knit and professionally-minded finance team. Your particular responsibilities will include Corporate Treasury and assising the Company Secretary Howards, you will be expected.

Company Secretary. However, you will be expect to be involved in all aspects of the running of the Finance Department, including a major redevelop of accounting systems.

A graduate, you should have gained at least two years' post-qualification experience in the profession or in industry, and now be set on acquiring more specialist skills over the next few years. The attractive package includes a generous mortgage subsidy, an executive car, a non-contributory pension, and a salary negotiable to attract a progressive individual.

Please send a brief curriculum vitae or telephone for an application form to Financial Institutions Group, quoting Ref: AA54/1034/FT.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SWIX 7LE. Tel: 01-235 6000 Telex: 27874

### **Financial Director**

#### London

flexible and "shirtsleeves" approach.

Our client is an established trading company which has recently merged with an acquisition minded ptc. It is now poised for further growth.

As a key member of the management team, the Financial Director will be responsible for all aspects of finance and general administration. This will include all the preparation as well as presentation of accounts and management information, therefore

calling for a very

c£25,000 + car

Applicants should be qualified accountants. preferably aged under 40, with the strength of character to contribute positively in the

sometimes volatile environment of a busy tracking operation. Relevant experience is therefore essential.

Please write with full caree details to Devid Tod BSc FCA Lloyd quoting ref D/489/WF.

**Management** 

01-405 3499

### **Financial Analyst**

Make a Significant Career Move Now Look Forward to Significant Progression in the Future

One of the most successful leisure retailing organisations, our clients have an estate which comprises more than 1,600 restaments, pubs and hotels. Innovative changes within one of their divisions have generated substantial business growth and subsequent restructuring to easure that they continue to maintain close control. In their new regional offices in the South Midlands, they now need a high-calibre individual, ideally aged 28-35, who is currently working in a management accounting capacity and is keen to make a significant career more.

In the newly created position of Financial Analyst, you will enjoy a rare opportunity to play a highly influential role in determining th direction that the region's operations should be taking. Reporting to the General Manager, you will be responsible for the preparation of budgets, the setting of targets, the analysis of capital expenditure and the execution of leasibility

A qualified accountant, ideally with experience of business management, you will be an accomplished communicator, thoroughly accustomed to thinking strategically and able to demonstrate that you have the necessary drive to realise the full potential that this position ofiers. In return, our clients offer a salary of c.£18,000, a generous package of largecompany benefits, relocation assistance where appropriate and exceptional prospects for your

further career progression. Please send a full CV, quoting Ref. FT/221, which your application should not be forwarded, to: Jennie Pask, Riley Advertising (London) Limited Rex Surwart House, 159 Hammersmith Road, London W6 8BS.

### **International Director** of Audit

Our client is an international group with substantial interests in the Middle East, Europe and the United States: A Senior Audit Manager from a firm of major Chartered Accountants, or someone with internal audit management experience in a leading industrial concern, is sought to exercise financial audit and control within the organisation, with a special regard to the Middle East and the United States. Experience in the former territories would be a particular advantage. The position would be based in London and would command a salary of £30,000 plus per annum.

Resumés should be sent to the consultants, advertising this appointment, at the address below. All replies will be treated in the strictest confidence.

The Welbeck Group Limited, Panton House, 25 Haymarket, London SW1Y 4EN.

The Welbeck Group Limited

£18,000+

#### Group Financial Accountant International Group

Our client is the holding company of a large worldwide group whose scrivities encompass travel, transport and freight forwarding. Recently qualified (ACA, ACCA, ACMA) you will ideally have some exposure to a group accounting environment and now be keen to

assume a more challenging role.

Duties will include the development of management reporting systems, financial analysis plus the preparation of monthly and quarterly consolidated information. Ref: 3318

#### Financial Analysis

Major Financial Services Group

£20,000+

Our client, the London branch of one of the leading US Financial Services Groups with offices worldwide, has an exciting opportunity for a recently qualified Accountant to report directly to the Finance Director.

Ideally with some exposure to the Stock Market you will join a newly formed International department dealing in a wide range of services including Securities and Corporate Finance.

For further information about these positions please telephone Richard Green. Dunlop & Badenoch

Ref: 3319

Financial Recruitment 60 Mark Lanc, London EC3R 7NE. Tel: 01-265 0377

A MAJOR UK AND INTERNATIONAL

### COMMODITY **MERCHANT**

based in London requires a

### Chartered Accountant

to play a key role

within the finance team

Reporting to the Finance Director, the principal responsibilities will encompass controlling an accounts department of ten people, preparation of monthly management accounts and annual statutory accounts.

The successful candidate will be a qualified chartered accountant, preferably aged between 25 and 35, who io currently working in a trading or commercial environment. It is essential that applicants have the ability to communicate with senior-level management.

The position carries a competitive salary, car and range of other benefits.

> Please reply in strictest confidence to: Box A0272, Financial Times 10 Cannon Street, London EC4P 4BY

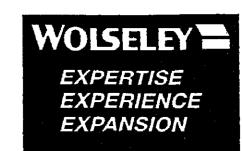
per cent 115.6



### SECTION II - COMPANIES AND MARKETS

### FINANCIALTIMES

Thursday September 18 1986



### ACEC axing 1,140 jobs in bid to stem losses

ACEC, the Belgian electrical engineering group based in Charleroi, has announced that 1,140 jobs will have to go as part of the company's restructuring plan and determined nbitions to return to profitability. The figure is almost one quarter dividend payments in 1989, has al-of the 4,300 parent company staff and represents a further blow to the capital increase completed in July Walkonia region of the country fol-lowing last week's news of more re-

dundancies at the Cockerill-Sambre

steel group.

ACEC, which was founded in the last century and is one of Belgium's oldest industrial companies, is 51 per cent controlled by a joint Belgian - Franco venture, itself owned by Société Générale de Belgique and Compagnie Générale d'Electri-cité of France. The two groups in

the ACEC stake of the US Westing-

house company, which had long-standing financial and industrial links with the Charleroi concern. The restructuring plan, which

aims to bring the company back to profitability in 1988 and to restart dividend payments in 1989, has aland is now concentrated on incres ing the competitiveness of its proding the competitives "and adapting structures to the volume of work."

ACEC said yesterday it aimed to sell its electrical transformer divi-

sion and that it was discussing the sale of two other businesses which have not been identified. ACEC's activities include ther

mal, hydro-electric and nuclear electrical production and distribution, transport equipment for rail systems and shipping, and telecom-

COMPANIA TELEFONICA Nacion-

de España, Spain's semi-state.

telecommunications concern, con-firmed yesterday that both Siemens

proaches for taking over HT's

Spanish manufacturing operations.

But it made clear that no propos-als would be considered until Tele-

fonica had completed its negotia-

tions over the planned European joint venture between France's

Compagnie Générale d'Electricité and IIT.

Telefonica, which initially said it

would take 10 per cent of the new group, wants the joint venture to have a broader European profile

satellites to cable television. Under its new owners, the compa

ny's plan is to reorientate its activi-ties towards high technology businesses. For example, the aim is to increase the sales of electronic and munications products from 32 per cent of the total to about 44 per cent in 1989 while electromehanical activities are expected to drop from 48 per cent to 34 per cent of the total.

ACEC reported a BFr 1bn consoli dated group loss in 1985 after excep-tional provisions for the anticipated "social restructuring" and is expect-ed to announce a deficit of a similar size in 1986 and 1987 before moving

The company said most of the re

**Bids for ITT Spain** 

bility for streamlining measures at ITT's subsidiaries, Standard Elec-

Telefonica has a shareholding o

just over 20 per cent in Standard

Electrica, which is Spain's principa

manufacturer of telecommunica-

Siemens' and Northern Telecom's

preliminary bids are geared to the

Restructuring at Standard is esti-mated to require further authocks

trica and Marconi Española.

share of the market for banking information systems, mainly in the US and Europe.

fice" equipment, chiefly in the shape of its Vax computer system, while Ericsson information systems plans to provide the "front office" ipment, namely the terminals

Terminals, keyboards, card reader

### La Fondiaria ahead by 9%

LA FONDIARIA, Italy's seventh largest insurance company in which Montedison now has a 37.5

### **Ericsson** joins DEC in bank venture

By Sara Webb in Stockholm

ERICSSÓN Information Systems part of the Swedish telecommunica tions and electronics group, and Di gital Equipment Corporation (DEC), the world's second largest comp manufacturer, have agreed to join forces in increasing their worldwide market share of banking informa

companies will set up a joint re-search and development venture later this year to develop integrated

The R & D project will be based in Sweden, either in Stockholm or Linkoeping, with Ericsson and DEC splitting the cost. DEC will provide the chairman and Ericsson will sup

ply the managing director. The two companies want to com-bine their efforts and step up their

DEC is to provide the "back of-

The two companies have devised a test model consisting of Ericsson personal identity number unit, of-fice printer and passbook printer, connected to DEC computer sys-

# presimmary but are geared to the possibility that the new European group will fail to take shape or that Telefonica will pull out. Leaks of the bids to the Spanish press have obviously embarrassed Telefonica in its possibilities.

per cent stake, yesterday announced its net profits increased last year by 9.1 per cent to 1.60km (\$42.6m).

The Florentine company's net premiums rose by 22.2 per cent to L1,275bn in comparison with 1984. Realised investments were 25.3 per net profit of L223bn. Share

BANKAMERICA'S FORTUNES SAG UNDER RISING LOAN LOSSES

### Sliding further down the slope

BY WILLIAM HALL, IN NEW YORK

IN FIVE WEEKS 5,000 top US bankers will be descending on San TRADING IN BankAmerica Overseas Finance Swiss franc honds due 1993 was suspended in Francisco for the annual convention of the American Bankers' Asso-Zarich yesterday after the bonds ciation and while they will be fell by the maximum allowed in a spending many hours debating such weighty topics as US banking reform and the changing tax laws, day but recovered some lost ground in Basic later, AP-DJ remany will be making some discreet enquiries about the health of their unofficial bost, the 82-year-old Rank of America.

The San Francisco-based banking group, which until a few years ago was the biggest bank in the world, has been sliding downhill under the weight of rising loan losses for several years. But in the last few months, there have been signs that the pace has been accelera and many analysts on Wall Street have lost confidence in management's repeated assurance that the

worst is over.
Since mid-July when BankAmerica, parent of Bank of America, stunned Wall Street by reporting a second-quarter loss - the second biggest loss in US banking history— the news coming out of San Fran-cisco has been uniformly bad.

Last month Mr John Poelker, the group's recently hired chief finan-cial officer, quit after five months and a few days later Mr Charles Schwab, one of the bank's younger directors and chief executive of its highly successful discount brokerage operation, announced his resignation from the board of directors.

Meanwhile, news has been leaking out of piecemeal moves to slim down the size of the group's interdown the size of the group's inter-national operations in a way which does not give the impression that the group is following some well thought out masterplan. In the past month the group has quietly dropped plans to establish a retail banking operation in Australia and is scaling down its retail banking operations in Argentina.

Last week Bank of America con firmed it was considering selling its highly profitable Italian banking operations in a move which would have been unthinkable a few years

The honds were offered initially at 85 on the Zurich exchange compared with Tuesday's close of 90%. That exceeded the daily price movement limit of five points and forced an immediate suspension. Trading also was

Rumours on Tuesday that the issuer's parent, BankAmerica, was facing new financial difficulties triggered the selling, dealers said. The bank and US 1978, said the market for sea-soned issues like this was fairly limited banking regulators denied the

Keefe, Bruyette & Woods, a leading ago given the bank's strong Italianfirm of US bank stock analysts. American heritage. "The managerial challenge of res-This week the bank announced that although the group said Mr toring Bank of America's fortunes Poelker would remain until a suc-is enormous and it requires someis enormous and it requires somecessor was found, he has now left. one with big bank expertise," says This is just one more reason why Mr McDermott, who in con second biggest banking group with change is long overdue there.

While analysis with many leading bank analysts funds of \$4bn and non-performing to the group's deep-seated prob-leans of around \$5bn. to the group's deep-seated prob-lems, which result from its heady

growth rate in an earlier inflationtion is cause for concern. Its primary capital ratio of 6.14 per cent is above the regulatory minimum but and Mr Leland Prussia, the chairanalysts are expecting the group to man of the holding company, have report another loss in the current had long enough to turn round quarter before special gains on Bank of America. One possible candidate for the property sales are taken into actop is Mr Walter Wriston, the for-

BankAmerica spilled over into the rest of the financial markets earlier this week, fuelling a wave of unsubstantiated rumours which the group angrily dismissed In early trading yesterday Bank-

America's shares slipped by \$% to a there is no immediate reason to new low of \$11%, capitalising the group, which has over 1,000 branches and employs more than the appointment of a new chief 80,000 staff, at just \$1.8ba. Wall Street analysts said there

the sort of symbolic change which would be sufficient to quiet the unappeared to be no truth in the wild ease in the financial markets rumours that were swirling through the financial markets, "When you get a company on the ropes like this which would almost certainly have it is prone to rumours," said Mr Jim to be done with the implicit blessing McDermott, research director of of US bank regulators, analysts are problems are too large.

NON-PERFORMING LOAMS AS A PERCENTAGE OF EQUITY

change.

The Union Bank of Switzer-land, which lead managed the issue when it was launched in

mer chief executive of Citicorp, who

has kept a surprisingly low profile

changes at Bank of America have

executive at BankAmerica would be

since he retired two years ago.

Rumours of senior manage

First Chica Citicorp

Wells Fargo Security Pecific First Interstate Chase Manhatt

Source: Donaldson, Lutido & Jenretti

focussing on the group's ability to continue funding itself successfully

Unlike Continental Illinois, which had to be rescued by US bank regu-1984, the Bank of America is a net supplier of funds to the international markets. The group's huge Californian retail banking network is always flush with funds and according to a report in yesterday's American Banker newspaper, Bank of America lends an average of \$45bn a day to other banks around the world. The group is paying more for its money than many of its rivals and this is depressing its margins, but it does not appear to be having any difficulty raising money to fund its large overseas operations.

However, analysts note that international banks are not always as loyal as Bank of America's small customers in California and if there were problems in this area this could force US bank regulators to

Street bank analysts believe that the US authorities will eventually

ty but Wall Street analysts are ceptical about the willingness of

### TIRE DE TUNANCE.

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### **Kuwait buys** into Spanish paper maker

By Our Madrid Correspondent

minority stake in Spain's third largest paper manufacturer, Torras Hostench, through a Dutch interof West Germany and Northern Telecom of Canada had made apmediary, according to a spokesman for the Spanish company.

The shareholding acquired through a company called Kokme-euw Onroerend Goed, is thought to be in excess of 25 per cent and is expected to increase to majority con-trol, subject to government authori-

The operation reinforces the presence which the Kuwait Investent Office (KIO) has built up in Spain in the last two years, part of it in the hotel business. Its total Spanish interests are now rumoured to be in the region of Pta 60bm (\$446m). KIO subsidiaries have already acquired control of two smaller paper companies, In-pacsa and Papeleria Riera.

Torras Hostench, which is quoted on the Barcelona stock exchange, has emerged from a successful re-covery programme after running in-to a debt crisis which led it to seek three years ago. Last year it increased its net profits from Pta 1867am Pta 1 court protection from creditors

.ea

ani

Skandia to increase US capital BY KEVIN DONE IN STOCKHOLM

ish international insurance group, is to increase the equity capital of its US operations from \$150m to rapidly improving prospects in the US insurance market.

and insists it should take responsi- of up to 6,000 jobs.

manufacturing confirmed

SKANDIA International, the Swed-rest of the US insurance industry has run into serious financial prob

> The company said yesterday however, that premium rates in the US in most lines of business had

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### INTL. COMPANIES and FINANCE

### Saurer loses 700 jobs

BY JOHN WICKS IN ZURICH

concern, is to close its textile machinery division in Arbon with a loss of 700 jobs.

As a result company turnover will drop to some SFr 200m (\$125m) next year. In 1985 sales totalled SFr 564m or about SFr 400m without remaining vehicle orders.

The company said yesterday it had been faced with serious technical problems with its weaving ma-

production of commercial vehicles, will in future work mainly on orders farmed out by Sulzer Brothers of Winterthur. Other Swiss activities will continue in such fields as embroidery machines, thermoplas-tics, vehicle and helicopter mainte-nance and model building.

Operations will continue at Ber-

THE US Securities and Exchange

American Savings and Loan Association of Florida in connection

with ESM Government Securities,

the small bond trading house whose collapse in March last year sent rip-ples through the US thrift industry. The suit alleges that American Savings and Loan and Mr Marvin

Warner, a former director, failed to disclose material information in its

public filings. Among the matters allegedly not disclosed was a \$1bn

transaction with ESM Government Securities and a share transaction

on has filed a suit against

SAURER, the Swiss engineering long time and call for high invest- man twine machinery manufacture er Saurer-Allma. However, the Saurer, which is phasing out its group is to divest its French subsidiary Saurer-Diederichs.

Of the 700 jobs lost in Arbon, between 250 and 350 will result in re-After a 1985 parent company

BANQUE NATIONALE de Paris, profit of SFr 3.2m, the current year is expected to show a small loss. Operational results will have fallen sharply due to the disappointing solidated profits to FFr 141bn (\$210m) from FFr 993m in the first textile machinery sector. However, chinery. At the same time the comman, part of the Swiss surface treatpletion of new models would take a ment subsidiary, and the West Gerin 1987 and 1988. The increase, indicative of generally higher French banking profits this year, showed that BNP was on the way to registering total 1966 net profits of around FFr 2.8hn, compared with FFr 2.1bn last year, a BNP spokesman said.

### Moët-Hennessy earnings rise

As with the trading pattern so far this year, the main driving force in

largest thrift institution in Fighta, has denied to charges, saying the alleged reporting deficiencies relat-ed to arbitrage transactions which were fraudulently represented to its

management as risk-free. The insti-

tution pointed out that its current ent was respons

measures taken early in 1985 which

of transactions with ESM but will

duced the resulting losses.

BNP, in common with the other big French banks, has now decided to publish half-yearly profit figures, breaking with its previous policy of giving figures once yearly only. The nationalised banks now have sub-tinuital numbers of rejusts some stantial numbers of private non-voting shareholders under issues recently made on the Paris bourse and they expect to be sold back ful-ly to the private sector as part of the Government's denationalisation American, which is the fourth largest thrift institution in Florida,

41% jump

half profits

in first

By David Mersh in Paris

the largest French nation

half of last year.

cent increase in first half net con-

The first half profits were

achieved in spite of a continued effort at stocking up RNP's provisions on loan risks, which rose slightly to FFr 24hn from FFr 23hn, Group

operating profit rose to FFr 4.9hr from FFr 4.2hr.

### **Baltica doubles** its income

By Hilary Barnes in Copenhagen

contributed to the uncovering of the ESM fraud and significantly re-BALTICA, the Danish insurance group, improved first-half earnings from insurance from DKr 96m to DKr 198m (\$25.7m) and forecast American lost \$55.3m as a result earnings for the year would be about DKr 250m. In 1985 there was a loss of DKr 255m on insurance business as a result of large rein-

First-half earnings after financial income increased from DKr 97m to DKr 138m and after capital gains were increased from DKr 450m to

Gross premium income in the first half was down from DKr 3.15bn to DKr 2.91bn while equity capital increased from DKr 2.92bn to DKr 3.50bm.

BY PAUL BETTS IN PARIS MOET-HENNESSY, the leading French champagne and cognac group, has reported an 11 per cent in the first half to FFr 286m as a result of strong export performance. Performs this year to FFr 615m (\$92m) compared with the same period last year.

The compared with the same period last year.

The compared with the same period last year.

The compared with the same period last year in 1985, declined by 2.8 per cent in FFr 7.7m.

As with the trading retirem so far. The earnings improvement re-flects lower financial charges and currency operation hedging, the The interim results are in line 1985 was Moët's champagne bust-with group budgets. Earlier this ness which pushed pre-tax earnings year the company forecast an in-Profits inch up US loan body accused BY ANATOLE KALETSKY IN NEW YORK

### at Pirelli SpA

PIRELLI SpA, the Italian holding company which controls 46 per cent of the Finelli tyre and cable group, last night unveiled a lackhustre 5 per cent rise in its net profit for the year ended June 30 to 1.50.5bn (\$35.7m). The 1985-86 12-month profit increase is below the average inflation level for the period so that in real terms the profit is down. Pirelli did not disclose any other

details except to say it will propose a L100 dividend per ordinary Pirelli SpA share against L20 per share last year. At the group level, profits in the first six months of this year had improved and the full year out-

Aside from Pirelli SpA, the group's structure also consists of Societé Internationale Pirelli in Bade, which has another 48 per cent of the group's operating companies in 16 countries, and Pirelli Societe Generale, also in Switzerland, with the remaining 8 per cent.

be recouping \$22.5m of that through a settlement with ESM's auditors. Unexpected cuts at Steyr

Austria's

STEVE-Damler-Puch, Austria's troubled vehicles and weapons since in July the company reduced from 800 to 450 the number of workshed 2,550 workers by the end of ers it planned to lose this year as part of a restructuring programme. The company's workforce now stands at about 13,000.

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### INTERNATIONAL CAPITAL MARKETS and COMPANIES

### NatWest takes aim at the individual US investor

BY DAVID LASCELLES, BANKING CORRESPONDENT

NATIONAL Westminster Bank traded by individual investors

with a listing in New York is most-cited case. rooted in deeper strategic con-siderations than just catching the markets at the right moment. The UK's largest clearing bank is keen to have more international shareholders to support its global ambitions to support its global ambitions and reinforce the image of a world-class financial institution. Lord Boardman, the chairman, said yesterday that the exercise would enhance the group's standing in international capital markets, broaden its shareholder base and stimulate mark terretors.

Not that NatWest's move is a pioneering one. Many of the world's largest banks are now listed on several stock exchanges around the globe, and NatWest's chief UK rival, Barclays Bank, has beaten it to both New York and Tokyo. What is new is that NatWest decided to support the New York listing by issuing over 24m new shares specifically for US investors in what is expected to be the first deal of its kind by a foreign bank.

The advantage of this, Nat-West believes, is that it will help "prime the pump" for trading by creating a liquid pool of shares on the exchange. Mr Charles Green, the general manager for financial control. said: "We have been advised that making a public offering is that making a public offering is a helpful way—particularly if your shares are not well-known — of enabling an effective market to develop." The fact itself of a special US issue should also create a certain amount of interest among US investors who have only investors who have only recently begun to look at foreign bank stocks at all closely.

A further consideration is

ica 🐎

could have chosen a slightly rather than just institutions, better moment to announce its Experience has shown that US £121m international share issue yesterday: world stock markets have seen better times, and bank stocks are a particular US these have quickly migrated back to their home markets, worry. But its decision to go ahead with British Telecom being the

NatWest could have packaged



Lord Boardman: Enhancing NatWest's international

some of its existing shares into American depositary receipts (ADRs) rather than create new ones. It does not after all, have ones. It does not, arter all, have a pressing need for the £121m of new capital which the exer-cise will bring, having carried out a £714m rights issue only out a right rights assue only three months ago. But the view in NatWest's Lothbury head-quarters is that it would have been virtually impossible to assemble the huge number of shares needed without disrupt-ing trading in London and alarting the warket that some

alerting the market that some-thing was cooking.

Nevertheless, there was some scepticism in London yesterday as to whether NatWest need have gone to such lengths, par-ticularly since it will have to ticularly since it will have to pay costs of about £7m, includ-ing tax and New York invest-ment bankers' fees. One Lendon bank analyst pointed out last night that costs total over 5 per cent of the likely proceeds, compared to only 11 per cent for the July rights issue. "I that NatWest wants to ensure wonder who is going to benefit that its shares are bought and from this except the investment

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international boads for which there is an adequate secondary market

### Australian bank issues \$250m floater

The UK Treasury will also benefit. The ADRs will attract the new 12 per cent tax intro-duced by the Chancellor in the THE EUROBOND market continued quiet and cautious yesterday with few new deals last Budget (scaled down from appearing. Those that did the 5 per cent originally pro-posed) plus a 1 per cent capital duty on the creation of new were prudently priced in view of the uncertain climate and

were well received. National Australia Bank became the latest Australian Since NatWest wants its new bank to take advantage of a recent reserve bank ruling US shareholders to obtain the value of their shares, the remaining costs will be borne by the bank itself, in other allowing perpetual subordin-ated debt issues to be treated as capital. Its \$250m floating rate note was led by Merrill Lynch Capital Markets, which words, by its present share-Barclays began trading in New York last week without a special issue of shares. But it is too early, and trading has been too light, to say whether that route is any better. Several other UK non-banking groups have accompanied their New York listings with issues of new York listings with issues of new shares, including Cadbury Schweppes, Saatchi and Saatchi and Reuters. detected no resistance to Australian names despite

recent concern about the country's economic woes. With interest set 15 basis points above six-month London interbank offered rates, the deal traded at discounts smaller than its total fees. The issue is callable

after five years.

Prudential Funding, a unit
of Prudential Insurance of the
US, made a \$125m issue
which was increased within minutes from \$100m. Led by Prudential Bache Securities, the bonds were priced at 101 with an 8 per cent coupen and seven-year maturity.

These terms gave a margin at launch, net of fees, of 75 basis points above US Treasuries of the same matur-

NatWest's issue is also going ahead without any pre-emptive rights being granted to its existing shareholders reinforcing the trend away from that time-honoured practice. Nat-West has obtained permission from its shareholders at successive annual meaning to issue

sive annual meetings to issue up to 5 per cent of the outstand

up to 5 per cent of the outstanding stock without pre-emption. In fact, the New York issue would be virtually impossible to ararnge if the shares had first to be offered to the bank's existing owners. However, these will have the chance to object at the special meeting which is being called on October 14 to approve the deal.

ity. This was seen as correctly pricing for the triple-A rated berrower and also traded within its fees. within its fees.

Dollar Eurobends generally edged firme rin the secondary market although retail investors continued to stay away. There was, however, some encouragement from news of US industrial enpacity use and housing starts figures, which were in line with expectations.

Nomura International

At the moment NatWest has fewer than 1,00 US shareholders out of a total of some 100,000, and they hold a tiny proportion of the bank's capital. If the new issue is fully taken up in the US, the proportion will rise to about 4 per cent. line with expectations.

Nomura International brought a Y25bn five-year issue for a subsidiary of Sumitome Corporation with the parent's guarantee. It followed the recent fashion for high coupons and high prices, with a price of 115 on a coupon of 8; per cent.

In Switzerland, Ishihara Sangyo Kaisha, a maker of titunium exide, made a SFr 100m private placement, led by Swiss Velksbank. The 5; year convertible deal was The issue is being made at a time when Wall Street has begun to analyze the UK clearing banks and produce research reports. Last June Salomon Brothers put out a report which singled out NatWest as the clearer "with the best funda-mentals,"

led by Swiss Volksbank. The 5½ year convertible deal was priced at par with an indicated 1½ per cent coupon. Terms on the SFr 100m XR Capital Holding issue on chalf of ICN Pharmaceuticals were fixed as indicated.

The Swiss market was little changed, with investor interest in new issues remaining restrained. The SFr 200m Tokyo Electric Power issue closed at 98½ after entering the market at 97½ and compared with an issue price of par.

The Zurich Stock Krchange is expected to resume trading today in a RankAmerica Overseas Finance issue, made in 1978, which was suspended on Tuesday after falling the Sve-pelnt daily limit to 85. The bank's Swiss subsidiary

In West Germany, Ryobi, a In West Germany, Ryobi, a Japanese component manufacturer, made a DM 60m issue with equity warrants, and carrying the guarantee of Mitsubishi Bank. The eight-year issue, led by DG Bank. has an indicated coupon of 12 per cent and was quoted around its total fees.

The D-Mark market was very slow and mixed, seeking guidance from New York.

#### Unofficial trade reported in Chinese bonds

Unefficial bend trading has spring up beside the mentheld bond market in the city of Shenyang, the first in China since the communists took power in 1949, the Economic Daily newspaper said yesterday, reports Reuter from Paking.

The paper said some efficials were so distressed at the unofficial trading that they had preposed to stop it, but

had proposed to stop it, but they had been everruled by leaders of the north-eastern industrial city.

The bond market, run by Shenyang Trust and Investment Corporation had prospered, said the newspaper, with nearly 200 bonds a day changing hands during the first 10 days of trading. The official exchange charges a commission of between 0.4 per cent and 2 per cent of the face value of the bands, wheh are issued

The newspaper quoted economists as saying that it would not be long before China had its first post-revolution stock exchange and even private brokers. But

although the newspaper hailed the Shenyang experi-ment as a breakthrough, it warned against copying it un-critically elsewhere. It said the Shenyang bend market was started by the city government to ensure a healthy growth of the bond ales some enterprises had already developed. Over the last 18 months a total of 290m yuan (\$78m) had been raised

by 277 firms.

John Wicks in Zurich reports on a dilemma for bankers

### Swiss hold cards in Dome rescue

THE FATE of Dome Petroleum, the Canadian oil and gas group, will be decided in Switzerland, as well as the other side of the Atlantic. The troubled Calgary company has called on holders of three Swiss franc holders of three Swiss franc securities to waive all interest payments and capital redemp-tion rights from October 28 until at least the end of next February. Dome's continued existence as a going concern depends on the success of

depends on the success or current negotiations, according to a company statement. The Swiss franc segment of Dome's capital market debt consists of SFr 100m worth of 5 per cent notes due to mature at the end of next month, a ar the end or less month, a SFr 100m bond issue running from 1981 to 1990 and bearing a coupon of 7.25 per cent, and a further SFr 100m worth of 1981 bonds, in this case with a 5.75 per cent coupon and a

1991 maturity date.

The waiver would come into effect only if a majority of boiders of each of the three securities—and a total of 70 per cent of the outstanding sum-were to agree to the pro-posal. At the same time, similar concurrence would be essential on the part of holders of five US dollar papers with a combined nominal value of

For its part, Dome would make an extraordinary payment on October 31 of all outstanding interest accrued up to that

At present, there is some doubt in Switzerland as to how

what to make of it. There is creditors in the definitely a feeling that Dome secured-loan category. will have to provide a lot more Given the fluid situa will have to provide a lot more Given the fluid situation, Mr consider the Dome proposals as information to convince bond and note holders.

Keller is unable to predict a "reasonable solution." whether Credit Suisse will It is hard to tell how much

Credit Suisse, which had been the lead bank in the under-Credit Suisse, which had been issue any public pronounce-the lead bank in the underment on the Dome proposals writing of the Swiss franc before the Zurich meeting— issues, is waiting for full details or at all. The same doubtless of Dome's status and problems,

Dome Petroleum has announced a further round of redundancies as part of efforts stem mounting losses. writes Bernard Simon in

The release of 150 cmployees, mainly from the company's frontier, exploration and production and development departments, co-incides with Dome's presentation of an extensive recapitalisation plan to its 54 international creditors, copies of which went to Dome's lenders on Monday. The plan includes a proposal that banks convert a large segment of then C\$6bn (US\$4.28bn) worth of loans into se > rities,

their value being linked to

ally, will arrive at the same

Arctic Coast.
The workforce now numbers around 4,200 compared with 9,500 at the peak of the debt-financed acquisition spree in the late 1970s and early 1980s which marked the start of its due at the beginning of this week. These details, incident-Bank of Switzerland and Swiss Bank Corporation decline to

international oil prices.

n is negotiated.

The lenders agreed earlier this year to waive interest and principal payments on the bulk of their loans temporarily while the restructuring

Dome incurred a C\$182m

loss in the first half of this

year following the slump in oil and gas prices. The com-pany laid off 150 workers last April and announced a sus-

pension of operations in the Beaufort Sea off Canada's

ally, will arrive at the same time as waiver forms become available via Swiss banks.

An informatory meeting — described by one banker as a sales promotion for recapitalisation—is to be held in Zurich, but not until September 30.

According to Mr Albert shall markets division, the banks will markets division, the banks will mot only have to study the de-

comment on the Dome case and refer queries to Credit Suisse.

doubt in Switzerland as to how things will turn out. This is the first time that an arrangement of this type and this scope has even been suggested on the Swiss franc market, so bankers and investors are uncertain but not until September 30.

According to Mr Albert Albert to Mr Albert to Mr

stronger Walliser. Credit Suisse itself continues to advise its clients to

opposition there is in Switzer-land to the waiver. Credit handhalders' committee ought to be set up, but came to the conclusion that this is not necessary—or at least not yet. Some dissatisfaction is already applies to other banks; Union being expressed among investors, however, and there seems a chance that some kind of organised opposition will emerge on or before September

> will be, in any case, to mobilise 70 per cent approval. Bond and note holders have admittedly been informed by a large Dome announcement in the press, via information addressed to paying agents and by the banks own

informing of their clients. Apart from any opposition to the oil company's suggestions, though, it is uncertain what percentage of the banks' mail will actually reach investors in time. While the almost entirely institutional note-holders can be easily contacted, a not inconsiderable share of the private bondholders leave mail with the bank on a poste-restante basis.

Also, it is likely that only a minority of the bondholders have granted their banks a general power of attorney to vote for them. According to the guidelines of the Swiss Bankers' Association, banks may give proxy votes only if empowered ation—and must vote according to clients' wishes, even if these

CD programme

ISTITUTO Bancario San Paolo

for San Paolo

### AIBD to probe warrants sector

BY ALEXANDER NICOLL

THE ASSOCIATION of International Bond Dealers (AIBD) is expected to launch an examination of the equity warrant market after becoming concerned about the potential effect built in to option-type the association has been discussed in the international factor trading about the potential effect built in to option-type approached by the Eurobond clearing bodies. examination of the equity war-rant market after becoming concerned about the potential for trading abuses in the sector, which has been growing rapidly in recent months.

The AIBD will seek recognition as a Recognised Invest-ment Exchange under the new UK regulatory structure and is keen to be seen as a credible overseer of the markets it

Its worry has been prompted

The volatility opens up the possibility of huge losses if traders deal away from market prices or delay reporting of trades. Japanese equity war-rant prices, for example, have recently fallen sharply follow-ing the shake-out in stock

markets in Tokyo Though it is understood that learing bodies.

One way of approaching the problem would be to reduce the time within which trades must currently seven days.

However, the AIBD would need to be convinced before introducting a new rule that any abuses should be dealt with

di Torino has launched a £100m sterling certificate of deposit programme under the lead of S. G. Warburg. The Italian bank will use the proceeds to fund the sterling

business of its London branch and the programme, for which Hambros Bank and San Paolo itself will also act as dealers, is designed to raise the borrower's profile

Separately, Chase Manhattan said it has been appointed a dealer alongside Enskilda Securities on a \$75m Eurocommercial paper programme for Holmens Bruk.

This announcement appears as a matter of record only.



U.S. \$188,100,000

Floating Rate Notes due 1991

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Pittsburgh National Bank

Union Trust Company of Maryland - A Signet Bank

The Philadelphia National Bank, N.A.

Arab Banking Corporation, B.S.C.

Harris Trust and Savings Bank

Allied Bank International

Midland Bank PLC

Svenska Handelsbanken Group

UBAF Arab American Bank

September 1986

فتنقش تتعييران 

### Closing prices on September | Closing prices | Clos Copastagen City 9 95 Eas 49 1218 69 35 Eas 49 1218 69 35 Eas 48 1818 69 36 Eas 48 1818 69 50 Eas 48 18 † Only see market maker supplied a price.

traight Bands. The yield is the yield to redemption of the mid-price; the amount level is in millious of correctly units except for Yes houds where it is in billions. Change on weel--Change over expectable Describes to defeat unless otherwise ladicated. City. Observations on day. Care, date—First date for convertion late during. Care, price—Herniteal amount of bond per share expressed is conveney of share at conversion rate fixed at issue. Prosts—Purcessage premium of the current effective price of according shares via the band over the stoot recent price of the

### WESTAR MINING LTD.

has sold its oil and gas interests in the United Kingdom to

Dyas B.V.

The undersigned acted as financial advisor to Westar Mining Ltd. in connection with this transaction

### BANK OF MONTREAL

This announcement appears as a matter of record only.

Commercial Paper Program



Banco Central North American Capital Corporation

a wholly-owned subsidiary of

Banco Central, S.A., Madrid

The undersigned acts as a Commercial Paper Dealer for this Program.

Shearson Lehman Brothers Inc.

September 18, 1986

### Banca Nazionale Del Lavoro

Raced

Aaa

by Moody's Investors Service

We acted as advisor in obtaining this rating.

**PaineWebber** 

CITIBANG

### INTERNATIONAL COMPANIES and FINANCE

### **Kirin lifts** earnings despite flat sales

By Gordon Cramb in Tokyo

KIRIN BREWERY, the com-RTRIN BREWERY, the company which makes more than half the beer drunk in Japan, boosted pre-tax profits by 11.8 per cent to Y43.52bu (\$278m) in the half-year to July, but sales flattened out as rivals encroached on its market share. Turnover moved up just 0.9 per cent to Y650,73bn, and 0.9 per cent to Y650.73bn, and a 1 per cent rise in volume sales compares with an estimated 3 per cent gain for the industry as a whole. This follows an aggressive marketing campaign launched in the spring by Sapporo and Asahi, the second and third ranking because

orewers. All have been introducing new products, particularly can-ned beer which is increasingly preferred by consumers.

Ririn's earnings drew benefit from cheaper raw materials, attributable mainly to the stronger yen. Currency influences were favourable as influences were favourable as the company exports a negligible amount of its output.

Beer accounts for around 95 per cent of Kirin's total sales. Soft drinks, its second product, were down 7.4 per cent by value and 7.8 per cent in volume—a reflection of the poor summer weather which also held back growth in beer demand. growth in beer demand.

Net earnings were 12.14 per cent shead at Y15.79bn, or cent ahead at Y15.79bn, or Y17.62 per share against Y15.86. The interim dividend is being maintained at Y3.75, but the Y7.50 total payout for the year is to be boosted by a commemorative dividend—size as yet unspecified—which will mark the company's 80th anniversary.

The Molson

Companies Limited (Incorporated with limited liability under the laws of Canada)

ILS. \$20,000,000 Floating Rate Notas Issue data 18th September 1996 Maturity data 18th September 1991

For the three month interest

period from 18th September 1986 to 18th December 1986 the rate

of interest on the notes will be

51/4% per amoun. The Interest

psychic on the relevant interest psyment date will be U.S.57,504.34 per U.S.\$500,000 note.

Morgan Grenfell & Co. Limite Reference Agent

COMALCO FINANCE LIMITED
USS 180,000,000
anteed Floating Rate
due 1993

Notice is hereby given that for the interest period (8th September, 1986 to 18th December, 1986 the interest rate has been fixed at 6½%. Interest payable on 18th December, 1986 will amount to US\$153.25 per US\$10,000 Note.

Agent Bank: Morgan Guaranty Trust Company of New York London

NBD BANCORP, INC. US\$100,000,000 Floating Rate Subordinated Notes Due 2005

Notice is hereby given that for the interest period 18th Septem-ber, 1986 to 18th December.

ber, 1786 to 18th December, 1986 the interest rate has been fixed at 647.5. Interest payable on 18th December, 1986 will amount to US\$156.41 per US\$10,000 Note.

Agent Bank;
Morgan Guaranty Trust Company of New York London

# Malaysian banks fight creditor bill,

MALAYSIAN BANKS have and Industry Minister, said the markets. He said such com-expressed strong reservations shout a government bill to give Malaysian Companies Act, to be to recover.

Malaysian Companies and Industry Minister, said the markets. He said such comprotection once the bill is passed.

The banks are also conthat Promet would be seeking protection once the bill is passed.

The banks are also conthat Promet would be seeking protection once the bill is passed. judicial protection from their

The banks' views are believed to have the sympathy of Bank Negara, the central bank, which is concerned over the implications of the proposed bill on the banking industry, already under strain due to the recession and problems of non-performing leaver. oans.

In a joint memorandum to the Ministry of Trade and Industry last week, the four associations of commercial banks, merchant banks, finance companies and certified public accountants, said the bill could frighten away foreign investors and have the opposite effect on companies it seeks to protect.

month, are similar to Chapter 11 of the US Bankruptcy Code.

of the US Bankruptcy Code.

He said siling companies, which are regarded to be of national importance, could apply for judicial protection against creditors to allow them time to return to profitability.

However, bankers say the Malaysian bill goes beyond the powers of Chapter 11, especially in regard to retrospecially in regard to retro-

especially in regard to retro-spective powers.

Dr Mahathir Mohamad, the Prime Minister, recently urged bankers not to reject the bill outright, but to raise their objections with the authorities. He said many companies were in trouble not because of mis-management or corruption, but due to recession and the sharp fall in the stock and property Tenzku Razaleigh, the Trade

In their memorandum, the banks pointed out that to keep a step ahead of their debtors, who may be thinking of filing for protection, creditors may be encouraged to institute receivership or liquidation proceedings earlier than they would otherwise have done.

Once a commany comes under would otherwise have done.
Once a company comes under judicial protection, there could be a chain reaction. Some of its own debtors could be expected to file for similar protection, while creditors of such companies would be encouraged to put them under receivership or liquidation to protect their own interests.

The banks are also con-cerned that the rights of secured creditors would be undermined, as the bill allows the Official Manager (appointed by the court to manage an ailing company) to dispose of any assets as though there was no charge on them.

"When our position as secured creditors is jeopardised, we

indicial protection, there could be a chain reaction. Some of its own debtors could be expected to file for similar protection, while creditors of such companies would be encouraged to put them under receivership or liquidation to protect their own interests.

One banker pointed out that the recent action by creditor hanks against Promet, the oil rig, and construction group, was prompted partly by fears

creditors is jeopardised, we may not be prepared to commit depositors' funds for lending f

#### **YS Line plans to retire** one-third of workforce

BY YOKO SHIBATA IN TOKYO

YAMASHITA Shinfhon Steam-ship (YS Line), which has been the next 18 months.

Other steps suggested include orating business performance, yesterday put forward a sweeping restructuring plan under ness year, the renegotiation of which 700 people — one-third of the workforce — will be offered voluntary retirement.

of the workforce — will be offered voluntary retirement. YS Line, Japan's fifth biggest shipping company, is also seeking Y20bn (\$120m) in new lending from its banks, both to finance the cost of the retirement programme and to eliminate uneconomic vessels from its fleet. The restructuring plan, which is being out to the commany's the year is to be boosted by a commemorative dividend—size as yet unspecified—which will mark the company's 80th anniversary.

Bank, Long-Term Credit Bank round of price cutting on the Full-year pre-fix profits are forecast to show a 5 per cent ing the repayment of principal ing the repayment of principal ing the repayment of principal cutters. In the year to March, YS Line Y1,220hn.

Feltex NZ in offer for Email

EMAIL, Anstralia's leading telling shareholders that they white goods group, is facing "should not pay any attention its third take-over bid in two to the offer." They said they years. Feitex New Zealand had not yet had an opportunity to assess the quality of the bid ings) is to launch an A\$333m and would issue further advice (US\$208m) shares offer for the company. It follows the purchase of a 15 per cent stake in Email for A\$30m by Feltex.

The directors of Email responded to the approach by closed yesterday at A\$2.70 but the Email in the past, as have the

received the offer document.

Feltex is offering a straight one-for-one share swap for Email. Both companies' shares closed yesterday at A\$2.70 but it is felt that the Email board would be looking for a cash alternative before it would entertain recommending the

other vessels, and the sale of securities worth about Y10bn. YS Line's problems have arisen partly because, in com-mon with other Japanese ship-ping companies, its freight revenues are denominated in dollars, so that its income in yen terms has suffered from the yen terms has suffered from the Japanese currency's strength in recent months. A further strain

### Air New Zealand ahead

-

AND THE SECOND

#### US. \$100,000,000



Arab Banking Corporation (B.S.C.)

Interest Rate

63/16% per annum

Interest Period

18th September 1986

Interest Amount per U.S. \$10,000 Note due

### Peltex bid. A successful offer for Email eight times the earnings expected in the following year.

These groups have been reluctant to sell their stakes in fimail in the past, as have the company's smaller shareholders.

Feltex's offer is pitched at about 10 times Email's forecast

### INDUSTRIAS RESISTOL, S.A.

**US \$40,000,000** 

Floating Rate Notes Due 1988

In accordance with the provisions of the Fiscal Agency Agreement between Industrias Resistol, S.A. and Commental Illinois National Bank and Trust Company of Chicago, dated as of 8th September 1981, notice is hereby given that the Rate of Interest for the next six month interest Period has been fixed at 9 % p.a. and that the interest payable on the relevant Interest Payment Date, 19th March, 1987, against Coupon No. 11 in respect of US \$50,000 nominal amount of the Notes will be US \$2,262.50 and in respect of US \$5,000 nominal amount of the Notes will be US \$226.25.

Agent Bank

First Interstate Capital Markets Limited

18th September, 1986

#### US \$100,000,000

Takugin International (Asia) Limited

Guaranteed Floating Rate Notes Due 1994



Guaranteed as to payment of principal and interest by The Hokkaido Takushoku Bank, Limited

> Interest Rate Interest Period

18th September 1988 18th March 1987

U.S. \$10,000 Note due 18th March 1987

U.S. \$307.95

Credit Suisse First Boston Limited Agent Bank

DESPITE INCREASED competition, the state-owned Air operating profit to NZ\$185.4m, New Zealand recorded record net profits of NZ\$186.5m (US\$89m) for the year to June, a rise of 39.6 per cent.

The result was baseded by the



Floating Rate Notes Due 1996

U.S. \$311.09 18th March 1987

Credit Suisse First Boston Limited Agent Bank

U.S. \$150,000,000

BANKS, INC. Floating Rate Subordinated Notes Due 2009

Interest Period

61/4% per annum 18th September 1986 18th December 1986

U.S. \$789.93

Interest Amount due

per U.S. \$50,000 Note

18th December 1986 per U.S. \$10,000 Note U.S. \$157.99

Credit Suisse First Boston Limited Agent Bank

### sverner

U.S. \$100,000,000

Floating Rate Participation Certificates Due 1992 issued by Morgan Guaranty GmbH for the purpose of making a loan to

Istituto per lo Sviluppo Economico dell'Italia Meridionale (a statutory body of the Republic of Italy incorpora Law No. 298 of April 12, 1953)

In accordance with the terms and conditions of the Certificates, the rate of interest for the Interest Determination Period 18th September, 1986 to 20th October, 1986 has been fixed at 61/2%. Interest accrued for the above period and payable on 22nd January, 1987 will amount to US\$54.44 per US\$10,000 Certificate.

Agent Morgan Guaranty Trust Company of New York London Branch

Weeldy net asset value



Tokyo Pacific Holdings (Seabourd) N.V. on 15th Sept., 1986 U.S. \$ 127,07

Listed on the Amsterdam Stock Exchange

tion: Piercon, Heidring & Piercon N.Y., Herengracht 214, 1016 BB Amete

AIBD BOND INDICES

### WEEKEND FT

Ireland U.S. \$300,000,000 Floating Rate

61/8% per annum

Notes Due September, or the six months 17th September, 1986 to 17th March, 1987 the Notes will carry an interest rate of 614% with a coupon amount of Notes Due September 1999 U.S.\$3142.36 per U.S.\$100,000 No

Saukers Treest
Company, London April M

US Doller Australian Dollar Canadian Dollar Sterling

Change in Week 1.869 0.356 0.805 -0.520 1.309 1.483 3.976 1.869 10.830 0.356 14.630 0.805 11.820 -0.520 6.400 1.309 9.524 1.483 7.250 3.976 11.932 0.616 7.210 Telen. 812744 JVZ CH 8.941 14.367 10.516 5.926 8.442 6.367 10.695 12.830 10.373 5.925 8.164 6.207 9.751 6.318

### BAWAG BANK FÜR ARBEIT UND WIRTSCHAFT A.G.

Subordinated Floating Rate Notes due 1990 In accordance with the terms and conditions of the above-Nates notice is hereby given that the Rate of Interest has been fixed at 6514% per annum and that the interest payable on the relevant est Payment Date, March 18, 1987 against Coupon No. 9 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$317.38.

September 18, 1986, Landon By: Cribank, N.A. (CSSI Dept.), Agent Bank



Undated Floering Rate Primary Capital Notes have Pills 190 per year. Notice is hereby given that the Rate of interest has been fixed at in% p.a. and that the interest payable on the relevant interest Payment Date, March 18, 1987 against Coupon No. 3 in respect of U.S.\$ 10,000 nominal of the Notes will be U.S.\$31738.

September 18, 1986, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANCO

For information on advertising on the Books Page CONTACT SUE MATHIESON 01-487 0033

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SSING OUT

### Reckitt & Colman rises to £67m

and foods group, to increase movements.

first-half 1986 pre-tax figures
by 15 per cent from £57.73m
to £66.53m.

movements.

Net interest payable for the
half year rose sharply from
£0.76m to £3.49m. Attributable

the performance slightly distems, rose 20 per cent to appointing and marked the 539.2m. Tax charge was £24.72m

and acquisitions and disposals stepped up to 6.75p (6p) net—
left group sales 4 per cent last year's total payout was 16p
lower at £636.57m (£663.45m). on £123.4m pre-tax profits. lower at £636.57m (£663.45m).
Exchange rate changes reduced sales by £70m and when these distortions were eliminated, sales were ahead 7 per cent.

Profit margins for the period increased from 6.7 per cent to 10.5 per cent. One feature was the impact made by Airwick in North America, an area where profits rose by 65.5 per cent to 59.3m despite an unfavourable exchange rate. In Europe, Air-

Local London

businesses then rent both space and office services from Local London, in return for licence

Eight business centres are

Eight business centres are currently in operation, with a further three currently undergoing refurbishment.

Proceeds from the placing will be used to pay off bank borrowings and to finance future developments. Exactly 1.2m of the shares being placed are nearly the rest are being

are new and the rest are being sold by the vendors, Robert and

Graham Bourne, who will receive in total just under £1.2m. Both are directors of

the company.
In the year ended December
31, 1985 Local London made

31, 1985 Local London made pre-tax profits of £613,000 and at that date had not assets of

Group to

ioin USM By Philip Coggan

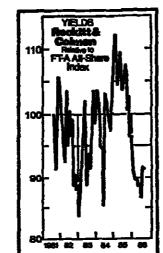
HEALTHY PROFIT increases Asia and Africa traded satis-in North America, Europe and factorily, although sterling pro-the UK enabled Reckitt & Col-it was reduced by 77m as a man, the household products result of adverse exchange rate

The market, however, found earnings, before extrordinary shares down 5p to 804p yester-day.

The effects of exchange rates 28.45p. The interim dividend is Profits from household and

19.3m despite an unfavourable exchange rate. In Europe, Airwick helped improve profits by \$13.3m to \$137.99m. The contribution, with profits rising 24 per cent to £22.6m, due mainly to productively benefits and a 39 per cent exports rise. The company said the businesses in Australasia, profits from household and toiletry products jumped by prospects for further advances. This product category how proting successful integration vides 55 per cent (42.2 per contribution to an 11 per cent fits.

Food and wine profits fell spite of an increased UK contribution. This reduction was round in North America, where



the addition of Airwick created a thriving business with good prospects for further advances. This product category now pro-vides 55 per cent (42.2 per cent) of the group's total pro-

rate movements, by the disposal of the US potato business (which made a profit in the first half of 1985) and by increased marketing expenditure by the group's core food business in the US. The company said its pro-posed acquisition of Durkee Famous Foods, announced last

month, emphasised the strategic objective of increasing its presence in the US and would strengthen its food business Pharmaceuticals showed growth with sales up 7 per cent to £81.1m and profits 12 per cent higher at £12.93m. The UK busines achieved a strong performance in both sales and profit, a significant growth in experts being a major contributor.

exports being a major contributor.

The colours operation raised profits to £3.87m (£3.4m) on higher sales of £17.1m (£15.98m) with the Globo business in Brazil featuring strongly.

Industrial cleaning profits invested trans. \$10.97m to

Industrial cleaning profits improved from £0.32m to £1.13m on marginally higher sales of £32.1m. Fine art and graphics sales were static at £12.1m, but profits edged ahead to £0.82m mainly due to productivity improvements.

See Lex

### Bridon profits fall to £5.2m

PROBLEMS in the US and tles in the US, which again items, of 5p (7.7p). The dividend British Rope operations of made a loss, and in the UK dend payment will absorb Bridon, combined with the disposal of its Mexican interests, reduced first half profits to exceptionally poor first half. He exceptionally poor first half. He with market expectations.

Sir Christopher Laidiaw, chairman, said the absence of any contribution from Grupo Industrial Camesa, Mexico, accounted for about £1.2m of the profit abortfall. The remainder reflected difficult market conditions, particularly in the brofit on the Mexican the wire rope making activity.

The interim dividend is unmarket in the second half remarket conditions, particularly chairman, said of the use of the profit abortfall. The disposal lass tax.

The interim dividend is unmarket in the second half remarket conditions, particularly chairman, said the absence of the profit abortfall. The disposal lass tax.

The interim dividend is unmarket in the second half remarket conditions, particularly chairman, said the absence of the profit abortfall. The remainder reflected difficult market conditions, particularly in full particularly in Europe, also improved their profit of £2.9m representations.

The profit simprovement was achieved by the UK fibre operations which performed well in the traditionally stronger first half. The distribution companies, particularly in Europe, also improved their profit of £2.9m representations.

The profit about £1.2m of the profit on the Mexican disposal lass tax.

The interim US, which again the uk was achieved by the UK fibre operations which performed well in the traditionally stronger first half. The distribution companies, particularly in Europe, also improved their profit of £2.9m representations.

Sir Christopher said.

The interim US which again achieved by the UK fibre operations which performed by the UK fibre perty developer, is coming to the unlisted securities market via a placing which values the company at £6.6m. Just over 1.9m shares will be placed, re-presenting 39.12 per cent of the The group specialises in acquiring commercial proper-ties and converting them into small office complexes known as business centres. Small

Abbott Mead

Cloudalkin

Armstrong Equipment

2.83\*

Oct 28

This advertisement is published by Baring Brothers & Co., Limited and N.M. Rothechild & Sons Limited on behalf of BET Public Limited Company.

The Directors of BET Public Limited Company are the persons responsible for the information contained in this advertises.

To the best of their knowledge and belief (having taken all rescondile care to ensure that such is the case) the information contained in this povertierness is in accordance with the facts.

The Directors of BET Public Limited Company accept responsibility accordingly

Offer for

**HAT Group** 

Value of BET Increased and

**Final Share Offer:** 

**147**<sub>p</sub>

**HAT Share Price:** 

2.8

mained depressed, but action taken by the new management would further improve British Ropes cost base. **DIVIDENDS ANNOUNCED** 1.5

While there is no doubt that the quality of Bridon's earnings have innoved since the stake in the Mexican subsidiary was sold in March, the problem is 5 sold in March, the problem is that there is just not as much profit about as before. Hence 24 it took a fifm pension bonus 2.7 to get the interim pre-tax profits over the f5m mark. With 51m from Mexico in the first quarter due to be discounted, falls in the wire businesses at home and a f2m pre-interest 23 20 earlier forecasts of around 516m for 1988 now have a distinctly ropey look to them. 3.25\* tinetly ropey look to them. Expectations are now heading for the film region which puts 10 the shares down 4p at 150p on a forward looking multiple of 10n capital il. In an industry bedevilled 

### helps Utd **Biscuits to** 31% rise

AN INCREASE in trading profits in dellar terms of 48 per cent by its US effshoot, Rechier, and a first full contribution from Early California Office were the major factors behind the 31 per cent growth in pre-fax profits at United Biscuits (Holdings) in the six months to July 12 1986. During the period the company failed to take over Imperial Group.

On turnover down from 1992m to 1992, m, the taxable result rose from 1992m to 1992, m, the taxable result rose from 1992m to 1992, m, the taxable result rose from 1992, m to 1992, m, the taxable result rose from 1992, m to 1992, m, the taxable result rose from 1992, m to 1992, m, the taxable result rose from 1992, m to 1992, m, the taxable result rose from 1992, m to 1992, m, the taxable raised to 2.5p (2.85p).

Trading profits were 1993, m and 1992, m higher at 1993, chalteness, and they would have been 1994, in higher but for currency moves ments. The pre-fax figure also benefited from 1992, and 1992.

54.Im higher but for currency movements. The pre-fax figure also benefited from a 25.7m fall in interest charges to 56.3m, resulting from the proceeds of last year's rights issue and lower interest rates.

Six Heater added that the

issue and lower interest rates.

Sir Hector added that the second half should see a similar increase in trading profits but there would not be the same benedit from the cut in interest charges. However, the second half had started well and the group was entarget to athleve a satisfactory performance.

The improvement by Keebler was put down to better productivity, lower overheads resulting from the closure of the Polladophia bakery and falling raw material prices.

A breakdown of turnover shows sales of UB Foods Europe rose to \$483.4m (\$465.5m), UB Restaurants \$56.9m (\$49.4m) and North America \$406m (\$466m).

Trading profits were \$23.1m (\$21.4m (\$16.4m) in North America.

Restaurants and

(E3.1m) for restainants and E21.4m (E16.4m) in North America.

Restaurants were hit by a fall of £700,000 in the coniversation from Pizzaland International which was hit by Ead weather and a fall in tourist numbers and the comparative figures were boosted by £200,000 of property sales,

Within the European division KP Nuts was said to have lad a particularly good performance, increasing volume by 12.5 per cent, and UB Frezen Feods achieved a trading profit of £300,000, compared with losses last time of £200,000.

The tax charge was £15.7m (£11.8m) to leave net profits of £31.9m (£24.7m). Dividends will absorb \$14.2m (£11m).

See Lex

See Lex

Highams buys more shares in MSCC By Charles Batchel

Highams, the privately owned textils group which is making a £37m takeover bid for the Manchester Ship

making a 257m inkedver that for the Manchester Ship Canal Company (MSCC) has bought a further 6,000 El preference shares to give it coutrol of about 40 per cent of MSCC's voting equity.

The additional MSCC shares, for which Highams paid 300 per share, took higham's stake in the preference equity to 75 per cent and its stake in the conhined preference and erdinary equity to 55 per cent.

Higham's voting stake is lower, however, because of the tapered voting structure at MSCC which gives proportionately more votes to small shareholders. Highams now claims acceptances from

now claims acceptances from 1,300 MSCC shareholders. It has said it is ready to achieve voting control by splitting up its helding among nominous.

Robert Lowe in £1.3m acquisition

El.3m acquisition
Rebert H. Lowe, the cicibing manufacturer, has bought
two small Manchester-based
companies for El.3m—to be
paid for by the insue of
1.165m new Lowe starce.
The two companies, both
run by Mr C. Black, are
Nelsons Labels, which prints
labels, and C. U. Black which
is involved in textile
merchanting and converting.
Nelsons made a pre-tix
profit of \$105,500 on turnover
of £765,900 in the year ended
June 30 1985. Over the same
paried Black made \$46,800 on
turnover of £306,800.
Lowe said the acquisition Lowe said the acquisition would reduce its gearing while improving profitability and carnings per share.

J Hewitt share price jumps 48%

J. Hewitt & Son (Fenton) refractory products manufac-turer, more than trebled pre-tax profits in the first half fom £190,000 to £626,000. Turnover rose 45 per cent from £3.4m to £4.83m. Its share price soured 42p to 130p—sp increase of 48 per cent.
An interim dividend of Ip

(0.4p) is being paid on earnings per share of 11.1p (2.5p), partly to reduce disparity.
Hewitt said borrowings had risen to cover higher working capital and capital expenditure associated with increases in pro-

duction and turnover.
While second half profits were not expected to grow as fast as those just reported. Hewitt forecasted year-end results sub stantially up on 1985.

### US offshoot | Woolworth justifies bid defence with £23m profit

Weelworth Holdings, variety store which has branched out into DIY and electrical retailing, yesterday had its first opportunity to show its shareholders that they had been right to support its management against the £1.5bn bid from Dixons in April.

Dixons in April.
It announced profits before tax and exceptional items of £23.2m in the six months ended Angust 1988, including a £3m surplus from property sales and after capitalising interest of £2m. The restated profit for the same period last year was £11.8m after a property surplus of £3.2m and £1.1m of capitalised interest.

ised interest.
Sir Kenneth Durham, chairman, said: "We look forward with confidence to meeting our forecast for the year of not less

with confidence to meeting our forecast for the year of not less than £103.5m profit before exceptional items."

The City was reserving its judgment, however, on the grounds that first half performance makes only a small contribution to the group total and so many changes had been wade, particularly at F. W. Woolworth, the high street general store chain, that comparisons were meaningless.

"There was no way they would report figures which would lead people to think they wouldn't make their forecast," commented one analyst.

B & Q, the DIY chain, increased its profit, after a group charge for rent, from fil5.7m to £20.6m. Turnover rose from £194m to £250m.

B & Q opened 12 new stores in the first half and will open

**Hargreaves says Coalite** 

BY MARTIN DICKSON

shareholders were being saked to give up full ownership of a successful company which had been reshaped with a clear strategy for a "partial and quite inadequate share in a group which would be controlled by a company whose managerial and financial record is much inferior, and whose sense of purpose is difficult to detect."

However, Mr Peter Espenhahn, of Coalite's merchant bank, Morgan Grenfell, replied last night that the document failed to address the main issue — what was Hargreaves worth — and that the rest of its argument that the two companies were "pretty irrelevant" in the companies would make a good fit.

\*\*Sir Terence backed Burton's bid and in return was given options over space and equity in Debenhams, as well as assurances of a design contract. However Burton said that these agreements were multified by Sir Terence's subsequent mercant of the plan under discussion would apparently give Sir Terence a design contract for Harvey Nichola, the Knights-bridge store acquired by Burton together with Debenhams; a design contract for the Burton menswear shops; and a possible offer of some trading space in Debenhams.

Mr Geoffrey Mulcahy: Comet back on growth path

store chain, increased profits before the rental charge from \$7.6m to £10.7m. After rental the loss was cut from £14.7m

The Focus strategy, aimed at concentrating on six key areas, has been applied to 146 of the division's 362 stores, but the full benefits will not come through before next year. The Focus stores are never-theless showing a four point increase in their gross margins.

increase in their gross margins. Sales from the entertainments sector are up 39 per cent and the company plans a ninefold increase in its very successful video catalogue to 400 titles. It has sold im videos, mainly old films, since the range was launched last year.

The F. W. Woolworth turnover fell from £454.5m to £426m following the sale of the Woolco chain to Dee Corporation in April and the closure of the food and adult clothing departments.

ments.

The group made a total retail profit, after head office expenses, of £13.5m, compared with £1.1m last time. Property income fell from £26.7m to £24.8m, but net interest payable also dropped, from £16m to £15.1m, to produce a profit before exceptional items of £23.2m compared with £11.8m.

Woodsorth took are extra-

#23.2m compared with £11.8m. Woolworth took an extraordinary charge of £15.9m for the costs of its defence against Dixons. There were no extraordinary charges in the first half of last year, but in the full year it took a £29.1m charge to meet reorganisation expenses. **Burton near** 

Conran dispute

Burton Group, the retailer, appears to be moving nearer to a solution of its long-running dispute with Sir Terence Concan, chairman of the Storebouse chain, over an agreement reached between the two sides last year during Burton's successful takeover bid for Debenhams.

hams. Sir Terence backed Burton's

solution to

By Martin Dickson

# has 'drifted and stagnated'

Hargreaves Group, the energy and environmental services business fighting an £30m take-over hid from Coalite, said yesterday that over the past five years it had "comprehensively outperformed" Coalite, which had "drifted and stagnated."

In its formal defence docu-In its formal defence docu-ment, Hargreaves said that shareholders were being saked to give up full ownership of a successful company which had been reahaped with a clear strategy for a "partial and quite inadequate share in a group which would be controlled by a company whose managerial and financial record is much in-ferior, and whose sense of pur-

Coalite is offering one of its shares plus 600p in cash for every four Hargrasves shares. On the basis of Coalite's closing On the basis of Coalite's closing price last night of 270p, up 1p, the offer values Hargreaves at 217p, a share. However, Hargreaves — which said last month that it had been holding discussions with other interested parties — closed last night at 245p, down 1p.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

#### LOCAL LONDON GROUP PLC (Incorporated in England under the Companies Act 1965 Number 1983853)

The Group's principal activity is the acquisition of commercial properties, their conversion into business centres, and their licensing and management in small units with the benefit of shared office services.

**Placing** 

Greenwell Montagu & Co. of 1.916,920 Ordinary shares of 5p each at 135p per share payable in full on acceptance

Authorised 2300,700 Ordinary shares of Spencis -

SHARE CAPITAL POLLOWING THE PLACENG

laused and now being immedially paid 2245,000

Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the Ordinary abures of the Company, issued and now being issued, in the Unlisted Securities Market. A proportion of the shares being placed is available to the public through the market. It is complessed that no application has been usede for these securities to be admitted to listing.

Particulars relating to the Company are available in the Extel Statistical Services and copies of the Prospectus may be obtained during normal business hours on any weeksity. Saturdays excepted, up to and including lat October

Greenweil Montago & Co. Bow Beils House, Bread Street, London ECAM 9EL

#### **GREAT PORTLAND ESTATES P.L.C.** (incorporated in England under the Companies Act 1948. Registered No. 596137)

#### NOTICE TO STOCKHOLDERS

£25,000,000 9.5 per cent. First Mortgage Debenture Stock 2016 ("the Stock") created by a resolution of the Board of Directors of the Company passed on the 18th April, 1986 and constituted and secured by a Trust Deed dated 28th April, 1986

in favour of The Law Debenture Trust Corporation p.i.c.

In accordance with the terms upon which the Stock was created and issued, Great Portland Estates P.L.C. hereby gives notice to all Stockholders that pursuant to a resolution of the Board of Directors of the Company passed on 15th July, 1986 the right of Stockholders to take delivery of the Stock in the form of Bearer Bonds is hereby withdrawn. The lest date for registration of renunciation of the Allotment Letters presently comprising the Stock is 24th October, 1986. Thereafter the Stock will be in registered form only and will be transferable in multiples of £1.

N. D. FORD

By Order of the Board

Secretary

18th September, 1986

N.B.: If the offer is declared unconditional as to acceptances today. the Cash Alternative will close.

Value of Offer is based on share price of BET at 3.30 p.m. on 17th September, 1986. HAT share price and HAT share price before offer are prices at 3.30 p.m. on 17th September and 21st July 1986 respectively.

BET reserves the right to revise and/or increase the offer if a competitive situation arises.

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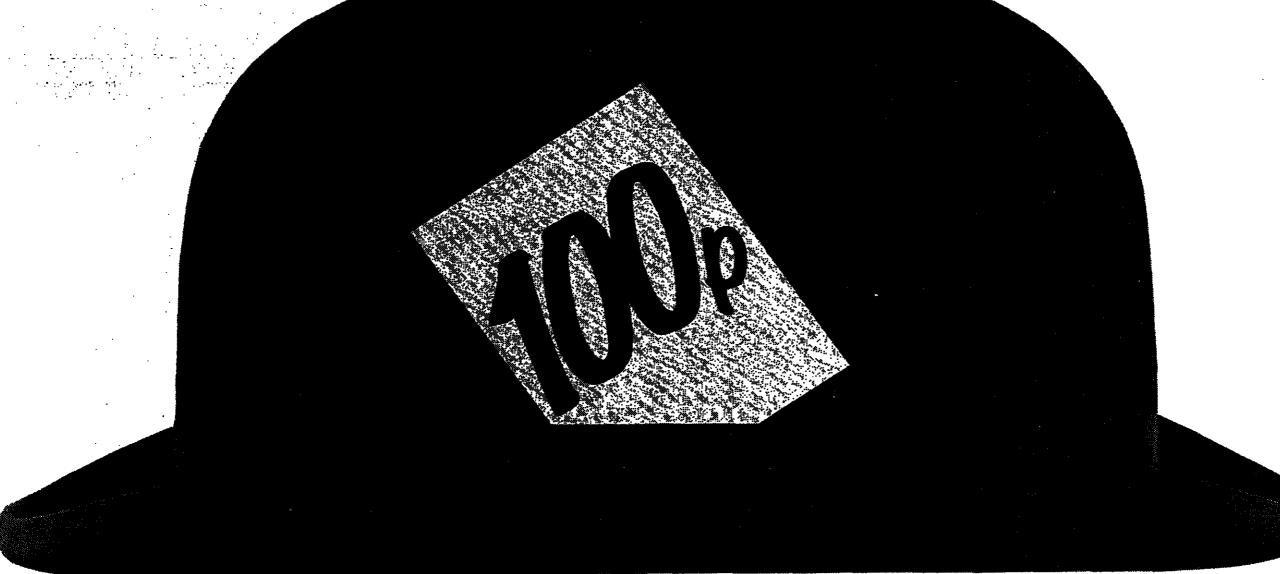
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# are Offer



The TSB Share Offer is now on. The shares are 100p each.

If you'd like to buy some, the minimum you can apply for is 400 shares at a cost of exactly £400. (If you've already registered priority as a TSB customer your minimum investment need only be £200.) You may, of course, apply for more than the minimum.

Only half of the cost of the shares needs to be paid for now. The balance will be asked for in about

To apply, you need an application form. This, together with a prospectus, is now available at every TSB branch. Or look in the national press.

You can make your application for TSB shares

now. Remember there is only a short time to apply. The instructions for delivery of your application

are printed at the back of the prospectus. You can hand in the form at any TSB branch before it closes on Tuesday, 23rd September, 1986.

If you're sending it by post it must arrive no later than 10am on Wednesday, 24th September, 1986.

The TSB wants shareholders from all over the country and all walks of life.

hope you'll wear it.

If you feel the hat fits, we

Don't leave it too late to say yes.

### **UK COMPANY NEWS**

This advertisement complies with the requirements of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland and does not constitute an offer of, or invitation to subscribe for or purchase, any securities.

These Securities may not be offered, sold or delivered at any time, directly or indirectly, in the United States or to United States persons or to United States residents.

### **Morgan Guaranty Trust Company** of New York

(A trust company organized under the laws of the State of New York, U.S.A.)

Japanese Yen 15,000,000,000 51/8% Deposit Notes Due 1991

Issue Price 1011/2%, Plus Accrued Interest, if any

The following have agreed to subscribe for the Deposit Notes:-

Nomura International Limited

Mitsui Trust International Limited

Application has been made to the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland for the Deposit Notes to be admitted to the Official List. The Deposit Notes will bear interest from 24th September, 1986 at the rate of 514% per annum of the principal amount thereof outstanding payable annually in arrears on the 24th September in each year, the first such payment to be on 24th September, 1987.

The principal of each Deposit Note will be payable in instalments of ¥3,333,333 on 24th September, 1989 and 1990 and ¥3,333,334 on 24th September, 1991. The aggregate principal amount of Deposit Notes to be paid on each such date is approximately ¥5,000,000.000.

Listing particulars relating to Morgan Guaranty Trust Company of New York and the Deposit Notes are available in the Extel Statistical Services and copies may be obtained during usual business hours up to and including 22nd September, 1986

from the Company Announcements Office of The Stock Exchange and up to and including 2nd October, 1986 from:-Nomura International Limited. Nomura House, 24 Monument Street,

London EC3R 8AJ.

Cazenove & Co., 12, Tokenhouse Yard, Morgan Guaranty Trust Company of New York, Morgan House,

1 Angel Court, London EC2R7AE

18th September, 1986

### M.E.D.P. DELTA GROUP LIMITED

Buchanan House, 3 St. James's Square, London SW1Y 4JU. Tel: 01-930 7233. Tlx: 261672 Medpuk G The finest name in the Petrochemical Industry for relocation engineering services.

We stock the largest inventory of refurbished refinery equipment in Europe.

A member of the I.C.A. Group of Companies with offices in New York, Hong Kong, Geneva and London.

### BET adopts novel share swap move

BET has adopted a novel approach to gaining further acking for its £113m bid for HAT Group. The diversified services group is inviting HAT shareholders to swap shares-for-shares on the market now that it can no longer buy shares for

Under the takeover code, BET Under the takeover code, RET is not allowed to purchase HAT shares for cash at prices above the cash alternative of 135p once this was made final. At that time a reclared associate of BET had bought 14.9 per cent of HAT for cash.

Yesterday, however, RET announced that it had acquired a further 14.9 per cent of HATs.

announced that it had acquired a further 14.9 per cent of HAT's shares on the market in exchange for its shares in the same ratio as the formal offer—

According to Mr David Telling of HAT, by doing this RET has been inviting institutions to "arbitrage via BET's shares to gain a quick profit over the cash

On last night's prices of 403p, up 3p, for BET and 140p for HAT, a theoretical opportunity

to a final close in one week's time seems likely said BET last night. BET currently holds just under 30 per cent of HAT.

#### Jones & Shipman profits slip

Jones & Shipman, maker of precision machine tools, reported almost unchanged pretax profits of £752,000, against £770,000, for the first six months of 1988. The figure was achieved on turnover alightly higher at £9.55m, compared with £9.28m.

With an increased tax charge of £179,000 (£16,000) earnings per share for this Leicester-based company fell from 6.3p to 4.8p. The interim dividend is being maintained at 1.15p.

### Minet disappoints market with modest 4.5% rise

and underwriter, has increased half-yearly pre-tax profits by only 4.5 per cent. The news yesterday disapopinted the market in the wake of Tuesday's bigger profits growth from Stewart Wrightson, the broking group, and Minet's shares closed 18p down at 232p.

It also meant a considerable slowdown in Minet's earnings record. In the first half of 1985, taxable profits rose by 43 per

Of the £19.3m pre-tax profits, £18.4m came from Minet's insurance brokerage group and the rest from its underwriting activities. This meant a satisfactory increase of 15.4 per cent at the brokerage group, but expenses there graw by 23 per cent, the company said. because of severely curtailed underwriting capacity. They were also hit by the proposed divestment of interests in Lloyd's managing agencies. The results were reported on a "full divestment basis," resulting in a profit shortfall of £0.5m, Minet

This was "significantly influ- For the future, Mr Ray enced by staff costs and profes- Pettitt, Minet's chairman, said

Minet Holdings, the Lloyd's and general insurance broker and underwriter, has increased half-yearly pre-tax profits by only 4.5 per cent. The news yesterday disapopinted the marby considerable client resisvited in the wake of Tuesday's the restricted terms available to be resolved. able from some insurers. In turn, the collapse of the world oil price had affected the growth of the broking group's oil and

the PCW affair at Lloyd's, which has yet to be resolved.

This year's interim figure included a film benefit from currency fluctuation and consistent hedging policies in respect of the US dollar income of UK broking companies.

After-tax profits in the first half were up 9.3 per cent at film, and there is a maintained interim dividend of 3.45p. Earnings per share came out at 13.81p (12.56p).

Group turnover rose 9.7 per cent to £54m, producing a trading profit of £12.5m (£12.5m). Other income added £6.14m (£5.2m), and associate companies contributed considerably less at £90,000 (£458.000).

Underwriting group profits declined by 64.5 per cent, mainly due to loss of fee income

because of severely curtailed

gas-linked business.

#### COMPANY NEWS IN BRIEF

than in comparable period of 1985 (£131,000 pre-tax).

up 3p, for BET and 140p for HAT, a theoretical opportunity exists for holders of HAT shares to accept BET's paper and then sell in the market. By so doing a seller might hope to obtain 147p for each HAT share — 12p above the cash alternative.

Mr Nell Byder of BET said yesterday that his company had no evidence that large numbers of BET shares were being sold as a result of the abare-for share market deals.

The finely balanced offer for HAT Group has its first close today. An extension of the bid to a final close in one week's as the said opportunity exists for holders of HAT from has its first close today. An extension of the bid to a final close in one week's as the interest rate result was achieved on turnover of authority bonds is 10 per cent, £24.88m to £36.97m. After a tax per such as the extension of said to per cent, £24.88m to £36.97m. After a tax per such to £350,000 (£174,000) 1986, and compares earnings per share were stated with 11-k per cent a year ago. as rising from 2.14p to 4.25p. Derio GEORGE OLIVER (FOOT-LIVER (FOOT-LIVER) The bonds are issued at par and are redeemable on September 22 1887. A full list of issues were official or edition.

E. T. SUTHERIAND and Son, USM-quoted food products group, made pre-tax profits of £180,000 (£688,000) for the first half of 1986 against par 25p share were 0.67p (2.73p), but the interim dividend is maintained at 1.46p net. Second half sales were currently running slightly under budget, but company anticipated a better trading outcome than in comparable period of \$1986. Tweeners to £24p (£230,000) loss) for the first half of 1986 against at the end of the first half of 1986 against at the end of the first half of 1986.

The bonds are issued at par and geography to 4.25p.

GEORGE OLIVER (FOOT-Earnings per 25p share were 0.15p (1.5p) diluted or 1.55p (1.5p) midiluted. A final uncompared with £18.18m, trading to £14,000 for the first half of 1986 against a profit of £99,000.

E. T. SUTHERIAND and Son, USM-quoted food products group, made pre-tax profits of £99,000.

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E. T. SUTHER

GT JAPAN INVESTMENT TRUST raised net asset value per share to 234.1p at June 30 1986, against 148.8p six months earlier. Net revenue for the period was £409.121 (£390,559).

than in comparable period of 1985 (£131,000 pre-tax).

CLONDALKIN GROUP made pre-tax profits of 1£1.73m (£1.4m) for the first half of 1986, on turnover of 1£26.89m an investment trust with an investment trust with an emphasis on the financial sector, an investment it half of 1986, on turnover of 1£26.89m an investment trust with an emphasis on the financial sector, an investment its asset value the interim dividend is 3.485p (3.15p) net.

RABTON GROUP, continued its improvement in the first half of 1988. Dividends and interest resimprovement in the first half of 1988. Following doubled profits for the previous year the taxable figure was almost doubled from £697,000 to £1.38m. The

### **WOOLWORTH GROUP** INTERIM PROFITS DOUBLED

### **INTERIMHIGHLIGHTS**

(half year ended 2 August 1986)

- Group profits before exceptional items up from £11.8m to £23.2m.
- Earnings per share up by over 120% to 9.6p.
- B&Q retail profit up 31% to £20.6m (after internal rent).
- Comet quadruples retail profit to £3.2m (after internal rent).
- Woolworths, the High Street chain increases its retail profit before internal rent to £10.7m, with post-rental loss reduced by £6m to £8.6.
- The Group has opened 800,000 square feet of retail space in the first six months. This expansion will continue.
- Operating Companies' retail management further strengthened by internal promotion and recruitment of proven, successful retailers.
- Interim dividend of 5.0p (1985 3.0p) per share.

"We look forward with confidence to meeting our forecast for the year of not less than £105.5m profit before exceptional items."

17 September 1986

Sir Kenneth Durham, Chairman



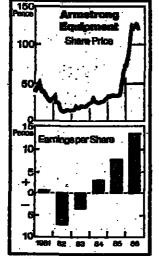
Copies of the full statement will be mailed to shareholders shortly or can be obtained from: Woolworth Holdings plc, Northwest House, 119 Marylebone Road, London NWI 5PX.

### **Armstrong Equipment up** by 74% to near £8m

Armstrong Equipment, ngineering group, announced pre-tax profits up 74 per cent at £7.9m for the year to June 29, 1986. The company cited "improved efficiency" as the main reason, although it did receive a benefit from the decline of the pound against the

Mr Harry Hooper, the chair-man, will be retiring after this year's AGM. He joined the company back in 1966 as manag-ing director and became chairman in 1973. It is proposed that the new chairman will be Mr Frank Cole, who has been a non-executive director for eight

Automotive parts manufactures suspension systems for motor cars and motorcycles for the British Army. The fastenings division was strengthened lost year by the acquisition of Glynwed Fastenings for £5m. Light



**Public Works Loan Board rates** 

UK ECONOMIC INDICATORS

facturing output (1980–100); engineering orders (1980–100); retail sales volume (1980–100); retail sales value (1980–100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

115.9 112.4 114.9 115.9 115.2 116.7 112.9 110.4

103.6 101.8 102.3 102.7 103.9 102.1 101.7

145.4 159.7 145.6 149.9 148.6 182.1 149.8 153.4 153.4

117.0 117.2 119.8 119.3 118.2 122.4

164.6 178.1 159.7 168.8 169.9 171.1 185.3 185.3

ECONOMIC ACTIVITY—Indices of industrial produc

108.3 108.5 108.4 109.9 109.5 118.3 108.3

108.3 104.5 102.3 104.0 104.6 104.8 104.2 104.2

117.4 120.8 118.6 120.6 113.0 121.5 120.2 120.7 126.6

8.0 23.0 14.6 5.3 8.2 21.5 42.5 25.1 29.1

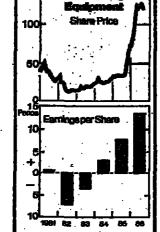
275.3 276.3 278.1 278.0

1,818 1,459 1,849 1,812 1,788 1,788 1,460 1,460 1,461

148.4 145.7 149.7 143.3 144.3 145.4 145.9 145.8 146.9

128.6 126.3 125.0 123.5 129.4 127.1 126.7 126.6 120.0

6.5 2.5 9.8 4.6 6.1 9.2 2.5 2.5 2.7



neering activity" in the UK and problems in the Australian wed Fastenings for 20m. Light engineering contains companies involved in pressings, heat transfer and radiators. Lastly, there is the overseas division, though which Armstrong has interests in Spain, Australia and Canada.

Trading profit was £11.4m

nd Canada. Trading profit was £11.4m
All the divisions were profit- (£7.6m) and the interest charge

Armstrong's chairman, Mr Harry Hooper, is aggrieved that after 20 years at the company and after the recovery from the trauma of the early eighties, the shares are on a historic multiple of only 9. That restricts the company's ability to follow the examples of Sater and Williams

comment

Holdings and expand rapidly via acquisition. Sadly for Armstrong, it seems that because the motor industry is such a major customer, investors will not grant the re-rating it seeks. Even a 74 per cent profits in-crease failed to satisfy the markets and the shares slipped 3p to 120p yesterday. It was a strong pound that nearly destroyed the company in the early eighties so it is no sur-prise that a weaker one should boost its profits. Merely by sur-viving, Armstrong has won itself -a better competitive position and trading margins were up last year from 74 per cent to 9 last year from 7.4 per cent to 9
per cent. This year, pre-tax
profits should top £9.5m, Perhaps the markets should recon-

# buys 5%

stake in Church

was up to £3.5m (£3.1m). After tax of £875,000 (£386,000) and minority interests of £63,000 (£46,000) earnings per share were 13.38p (7.89p). The final dividend has been increased to 2.0p (0.8p), making 2.75p in total. Ward White, the acquisitive retail group, has bought a 5.2 per cent stake in Church & Co, the luxury shoe maker. Ward White recently announced interim profits up more than 30 per cent at 510.3m and at the same time Mr Philip Birch, the chairman, said that despite several recent acquisitions he was still on the look out for more. He did not rule out taking a larger stake, but stressed in a letter to Church that be held the company in high regard and was not planning any unfriendly or aggressive

> Mr John Church, the managing director, said that the company's shares were, in any case, tightly held with a "substantial" family holding and 10.6 per cent with Investors in Industry. Ward White retains some

interests in Church's field of manufacturing and retailing es and hoth companie: said there was a possibility of commercial co-operation. Church closed up 65p at 420p, while Ward White was 4p down at 358p.

### Ward White L & G profits jump to £28m

with steady growth in its life business enabled the Legal ousiness enabled the Legal from £4.1m to £3.8m in profits and General Group to record a from the US subsidiary, Banner 52 per cent pre-tax profit rise from £18.7m to £28.4m at the interim stage. Attributable profits were one third higher at £23.4m against £17.3m.

The interim divided to the first profit rise from £1.5m to £1.4m, but its profits were one third higher at £23.4m against £17.3m. at £23.4m against £17.3m. Victory saw profit rise from Victory saw profit rise from £700,000 to £1m. Elsewhere, creased by 15 per cent from an losses of £300,000 were incurred.

Profits from the long-term business showed a rise in UK linked business from £1.3m to £1.5m and from £12.6m to £13.3m in UK non-linked life business. However, UK pension from £7.3m to £6.6m.

On its overseas life operations, the group saw a drop from £4.1m to £3.8m in profits

Overall, profits from L & G's worlwide life and pensions business fell slightly from £30.8m to £30.3m.

On its general insurance operations, underwriting losses in the UK were cut from £17.8m to £7.5m, thanks to a

increases giving strong pre-mium growth. The motor account saw losses reduced slightly — in contrast to the market trend of rising losses. losses were unchanged at £7.9m.

The market was a little dis-appointed with a 50 per cent pre-tax profit increase from Legal and General. It had been anticipating a much stronger recovery from last year's blood-letting. The 15 per cent profit growth from UK life business was regarded as satisfactory,

though overseas business, parti-cularly the US Banner Life subsidiary, were disappointing. From £7.3m to £6.6m.

Profits from UK fund management decline from £3.4m to £3m, leaving overall profits on UK long-term business virtually unchanged at the effects of the recent rate is not surprising. Neither is the group, as Britain's show steady growth. However, a yield of 5.3 per cent gross the winter costing £8m in been hit hard by the effects of on a share price of £55p, down the recession on pension growth growth and a drop in pension's profits cent dividend increase fully values this growth potential.

fall in the profits from its fund management business where the group is under extreme competitive pressure. The improvement in its short-term business Overall overseas underwriting came from a complete turnround in its major domestic property account, despite the improvement in its motor account, against the industry trend. However, its continuing strong reversing moves in its reinsurance subsidiary Victory results in continuing high losses. The second half should

see a continued improvement in its general insurance operations, with results fro inVictory not expected to worsen, while life profits should continue to show steady growth. However, a yield of 5.3 per cent gross

### **Owners Abroad expands 48%**

PRE-TAX profits at Owners Abroad Group, the USM-quoted holiday tour operator, advanced to 5581,000 in the six months to June 30 1986, a 48 per cent

Turnover, comprising income from aircraft chartering, flight from aircraft chartering, flight consolidation and tour operations, was ahead at £52.98m stated.

Tax took £177,000, against directors believed that the indicarried a record 529,821 passengers (358,152).

As a result of the industry's covering the results of two countries to two countries of two countries are consolidation and tour operapleted seasons, the directors added.

Looking forward to 1987, the directors believed that the indications were encouraging, with o.33p a year earlier.

The directors were confident summer capacity.

to Jung 50 1560, a 48 per cent to change the animal account group companies and also the improvement over £325,000 last ing date to October 31, with poor weather at home. Perfortime.

Turnover, comprising income should be more informative, aided by a lower level of distrom aircraft chartering, flight covering the results of two comcounting than in previous years.

seasonal nature, profit perform-ance was normally stronger in the latter part of the year, therefore the directors propose to change the annual account-trough the stronger in that the latter half of the year would prove to be satisfactory, due in particular to, the con-tinuing successful integration of group companies and also to the

#### Lodge Care grows by 16% to £0.2m

Lodge Care, the private health care company which runs old folks' homes in Worthing and other south coast towns, yesterday unveiled in-creased profits in the first half of 1986.

The pre-tax figure was 16 per cent ahead at £242,000, achieved from turnover up 32 per cent to £1.6m.

Attributable profits emerged at £154,000 (£116,000) equal to earnings of 2.6p (2.3p) per

# Creating

strong brands

### UNITED BISCUITS INTERIM REPORT 1986

The Group pre-tax profit for the half year at £47.6m is 31% higher than for the same period last year. The reduced interest charge, resulting from the proceeds of the rights issue in April 1985 and from lower interest rates, benefited the pre-tax profit by £5.7m.

Trading profit showed a very satisfactory increase of £5.6m to £53.9m (+12%) and, had the dollar been at the same average exchange rate as in 1985, it would have benefited by an additional £4.1m to show an increase of 20%.

The highlight of the half year's results has been the excellent profit performance by Keebler which, in dollar terms, exceeded last year by 48%. This achievement, together with the profit from the Early California Olive business acquired in October 1985, represents the major contribution to the

trading profit increase. While trading profit should show a similar percentage increase, the second half year will not benefit to the same extent from a reduction in the interest charge. As a result we do not anticipate pretax profits rising by the same percentage as in the first half.

Announcing a 23% increase in the interim dividend to 3.5p per share, Sir Hector Laing, Chairman, said 'The second half year has started well and we are on target to achieve a very satisfactory profit performance for the year as a whole.'

# **B** United Biscuits

• McVITIE'S • CRAWFORDS • TERRY'S • KP • PIZZALAND • WIMPY • KEEBLER •

The full interim report is being posted to shareholders and copies are available from the Company Secretary, United Biscuits (Holdings) plc, Grant House, P.O. Box 40, Syon Lane, Isleworth, Middlesex TW7 5NN.

### **TD Mortgage Corporation**

### Cdn \$100,000,000

95/8% Guaranteed Notes due October 8, 1991 Unconditionally guaranteed as to payment of principal and interest by

## THE TORONTO-DOMINION BANK

The following have agreed to purchase the Notes:

**Toronto Dominion International Limited** 

Morgan Stanley International

**Wood Gundy Inc.** 

McLeod Young Weir International Limited

**ABC Union Bank of Norway** Banque Internationale à Luxembourg S.A. **CIBC Limited** Daiwa Europe Limited **Dominion Securities Pitfield Limited** Goldman Sachs International Corp. LTCB international Limited Morgan Grenfell & Co. Limited The Nikko Securities Co., (Europe) Ltd. **Orion Royal Bank Limited** Société Générale Union Bank of Switzerland (Securities) Limited

Banque Bruxelles Lambert S.A. Banque Paribas Capital Markets Limited Credit Suisse First Boston Limited Deutsche Bank Capital Markets Limited EBC Amro Bank Limitéd Genossenschaftliche Zentralbank AG-Vienna **Hambros Bank Limited Merrill Lynch Capital Markets** Morgan Guaranty Ltd **Nomura international Limited** Shearson Lehman Brothers International **Swiss Bank Corporation International Limited** S.G. Warburg Securities

Yamaichi International (Europe) Limited

Application has been made to the Council of The Stock Exchange for the Notes, issued at a price of 100%, to be admitted to the Official List. Interest on the Notes, calculated as set out in the Listing Particulars dated 17th September, 1986 is payable annually in arrears. The first payment falls due on 8th October, 1987.

Listing Particulars relating to the Notes, the Issuer and the Guarantor are available in the Extel Statistical Service and copies may be obtained during usual business hours up to and including 22nd September, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 1st October, 1986 from:-

> The Toronto-Dominion Bank Triton Court 14-18 Finsbury Square London EC2A 1DB

London EC2R 7AN

NEWISSUE



### Q. P. Corporation

U.S. \$70,000,000

21/2 per cent. Guaranteed Bonds 1991

### Warrants

to subscribe for shares of common stock of Q. P. Corporation. The Bonds will be unconditionally and irrevocably guaranteed by The Sumitomo Bank, Limited

ISSUE PRICE 100 PER CENT.

EUROPEAN TRANCHE U.S. \$50,000,000

Daiwa Europe Limited

Credit Suisse First Boston Limited Kleinwort Benson Limited

Deutsche Bank Capital Markets Limited The Nikko Securities Co., (Europe) Ltd.

Sumitomo Finance International

Banque Bruxelles Lambert S.A. Baring Brothers & Co., Limited Robert Flexning & Co. Limited Hill Samuel & Co. Limited Mitsebishi Finance International Limited Morgan Stanley International

Société Générale

Banque Pacibas Capital Markets Lisuited Dai-Ichi Kangyo International Limited Genossenschaftliche Zentralbank AG Les Securities Limited Morgan Guaranty Ltd Salomon Brothers International Limited Swiss Volksbank

Universal Securities Co., Ltd.

**ASIAN TRANCHE U.S. \$20,000,000** 

The Nikko Securities Co., (Europe) Ltd. Daiwa Singapore Limited

Bayerische Landesbank Girozentrale, DKB Asia Limited Mitsobishi Finance (Hong Kong) Limited

Schroders Asia Limited Tokyo Securities Co. (Europe) Ltd.,

Chase Manhattan Asia Limited Lloyds International Merchant Bank (S.E.A.) Ltd. Morgan Grenfell (Asia) Limited Sumitomo Finance (Asia) Limited United Merchant Bank Limited

### **UK COMPANY NEWS**

### Lee International above forecast with £6.9m

Lee International, supplier of December 1985 had provided a as the rules of doing business. lighting equipment to the film base for the expansion of Lee's in the film and television and television industry which rental activities in Europe and lighting rental business. had also significantly extended has exceeded its pospectus forecast of film with the scope of manufactural and television industry which has exceeded its pospectus forecast of film with the scope of manufactural and television industry which is scope of manufactural and television industry which is the scope of manufactural and television industry which is the scope of manufactural and television industry which is the scope of manufactural and television industry which rental activities in the film and television industry which rental activities in Europe and lighting rental business. nas exceeded its pospectus forethe scope of manufacturing
cast of £6.5m with pre-tax activities into architectural and
profits of £6.9m for the year
ended May 31 1986. This is
against £4.99m previously.
Turnover for the

Turnover for the period surged by nearly £15m to £38.13m (£23.4m) and compares with a forecast of £35m.

Earnings per 10p share were given as 11.05p (8.1p) after tax of £2.81m (£2.01m), while the dividend for the year is 1.5p, as forecast. as forecast.
Mr John Davey, chairman,
said that the wide spread of the
group's international operations
enabled it to maintain a balanced level of profitability

With the recent acquisitions, expansion and streamlining of existing activities, he added that directors were confident the current year would again be successful.

successful.

Lee continued its US expansion in June 1985 by the acquisition of Colortran Inc and in February 1986 by opening Lee America West which is now fully operational in Burbank, near Hollywood, Hollywood,

display lighting.

Mr Davey said the substantial returbishment of Shepperton Studios had ben well received by film and television production companies as well as by non companies ag well as by producers of television com-mercials. The new studio com-plex in Manchester, which opened in March was the only facility of its kind in the north

The pre-tax figure included associates of £651,000 (£609,000) and investment income up from 277,000 to £150,000 but was after interest of £1.38m (£782,000) and an exceptional debit last time of £450,000.

time of £450,000.

After tax, minorities, and an extraordinary credit of £1.81m (nil)—profit from the disposal of part of Lee's interest in Media Technology International—the attributable balance emerged at £6.04m, compared with £2.98m. Dividends will absorb £708,000 (nil).

comment There was clearly a time fortable when a nod and a wink sufficed of 12.

**Abbott Mead profits doubled** 

jungle behind and since its oversubscribed March flotation independent minds have discerned

a rapid maturing in the company's manegement. The brothers Lee are less evident, other directors have come to the fore and the BET link is no doubt a steadying influence. This fits well a business that is This fits well a business that is shifting its centre of gravity company's management. The dependence on megabuck film projects is lessening although the work on Superman IV from the Cannon organisation is no doubt welcome. The US expan-sion spreads the customer base wider while other smaller acquisitions have been aimed at bringing inhouse new discipline within the lighting field. One of these, architectural lighting, has received an \$800,000 shot in the research arm and could be a major money spinner in several years' time. This year the analysis are looking for flom pre-tax which has the shares at 165p, still 15p short

of the offer price, trading com-fortably on a prospective p/e

### **Carpets and** property **boost SHT** to £2m

Scottish Heritable Trust, industrial and property group, reported pre-tax profits ahead by 51 per cent in the first half of 1986 from £1.34m to £2.02m. The results included contri-butions from recent acquisitions but the directors said that most of the rise came from traditional businesses with an increase from the oriental car-

Turnover rose by 75 per cent to £29.54m (£16.88m). Most of to £29.54m (£16.88m). Most of the increase was attributed to purchase of Richard Kitchen Taylor, from which there is a full contribution, and OCM (London), carpet manufacturer, which was included for three

pets operation and property and investment companies be-

months. Earnings per share, on increased capital, rose from 5.1p to 5.3p. The interim payment is being raised from 1.4p to

The directors of this York-based company said that the reorganisation of RKT and OCM,
with a full six months figures
ensure further satisfactory profrom Standard Fireworks should
gress in the rest of the year.
The try charge was \$684,000 gress in the rest of the year.

The tax charge was £884,000
(£394,000), minorities go on
£34,000 (£111,000 credit) and
there were extraordinary debits
of £50,000 (£135,000) to leave
attributable profits of £1.25m
against £823,000.

Dividends absorbed £481,000
(£298,000) giving retained profits of £790,000 (£525,000).

#### comment

Abbott Mead Vickers, the advertising agency which joined the mian market in November 1985, announced pre-tax profits up 112 per cent to £1.08m in the six months to June 30 1986. Because of a slightly lower tax charge, earnings per share were up 125 per cent at 5.21p.

New clients since the flotation have included Pork Farms, Schwarzkopf hair care. Orbis and the Daily Telegraph. Webster's Yorkshire bitter and Arthur Andersen have been lost. Gross billings were up to £24.8m, against £19.2m, for the first six months.

In June Abbott announced that tax loss of £758,000 in the year is a nice little earner. Like many other agencies it plans to expand via diversification. But it is easy to pay fancy prices for people do a runner. Abbott is trying hard to overcome the doubters. The income was no longer weighted in favour of the second ability to be main. Abbott had responded to the is being paid for the first time is being paid for the first time is being paid for the first time first six months.

In June Abbott announced that Mr Michael it is easy to pay fancy prices for people businesses only to announced that the people do a runner. Abbott is trying hard to overcome the doubters. The interim dividend, which is being paid for the first time is eithed to the interim dividend, which is being paid for the first time announced that Mr Michael it is easy to pay fancy prices for people businesses only to a runner. Abbott is trying hard to overcome the doubters. The total many other agencies it plans to appair to appare to announced that Mr Michael it is easy to pay fancy prices for people businesses only to a runner. Abbott is trying hard to overcome the doubters. The interim dividend, which is being profits and Abbott had responded to the interim dividend, which is being per first time expected agency and although the search to appare to a nice little arms of the seasy to pay fancy prices for people businesses only to a numer. Abbott hat the people do a numer and that the people do a numer and that the people do a numer. Scottish Heritable gave share-holders a good run for their money up to last spring amid its rapid expansion, but more recently a degree of caution has its acquisitions and the price has gone into a slide. Whether or not it is justified, the inci-pient cynicism is at least understandable as yesterday's figures showed: the pre-tax profits growth may be robust, but earn-ings per share, diluted by paper acquisitions and hindered by no doubt that Abbott is a much respected agency and although these figures look good because of accounts gained in the second acquisitions and hindered by
the increased tax charge, were
virtually flat. The full-year
figure looks little brighter, for
two more acquisitions—of
Standard Fireworks and Cambrian Construction—have
brought a further increase in
share capital and increased debt
to a level which Scottish Heritable declines to discuss. On one
broker's estimate, the group
could exceed 55m in pre-tax
profits which will just enable
it to avoid a dip in full-year
earnings, but the shares, at 155p
and on a prospective p/e ratio
of nearly 13, look rosily rated
against, say, Hanson's on a multiple of 14. half of 1985, pre-tax profits should still hit fam for the full year. The cautious might feel that the shares at 213p are high enough on a prospective p/e of tiple of 14.

### Sun Life Assurance lifts interim payment to 10.4p

by 11.4 per cent from 9.34p to
10.4p per 5p share for attafactory level.
The directors stated that the increase should not be regarded as an indication of the percentage increase appropriate to the full year's total.

The appears of the interior company's broker

first six months.

In June Abbott amounced

In June Abbott amounced the acquisition of the Leagas Partnership, a rival agency, for a performance-related consideration. New management has abbott Mead Vickers to advertise the Leeds Building Society, now breaking even, after a pre-

The amount of the interim payment had been restricted, they explained, by the Com-panies Act 1985 which provides

panies Act 1985 which provides that a distribution may only be paid from profits available for the purpose.

As known, a summary of the group's new life business for the half-year showed that single payments had increased from £112m to £165.2m, with new annual premium income £256.6m (£227.5m), while unit amounting to £28.1m, against trust sales totalled £49.6m (£7.5m).

Geo Scholes

moves ahead

a one-for-one scrip issue.

During the year market share was maintained by all of the

by 8%

Sun Life Assurance Society unit linked bond sales had con-lifting its interim dividend tinned to be buoyant and other

The directors stated that much of the uncertainty which arose during the formulation of the Financial Services legislation had now receded. The company's broker and direct sales divisions were confident of being able to operate effectively in the proposed Investor Protection regime.

#### **Near 11%** stake taken in **Brown Shipley**

George H. Scholes, Manchester-based electrical engineer, announced an 8 per cent rise in pre-tax profits for the year to June 30 1988.

Profits were ahead at £5.34m, against £4.94m last time, on turnover up from £28.21m to £29.04m, a rise of 11 per cent.

Tax amounted to £2.12m (£2.04m) and there were extraordinary debits of £82.388 (nil). Earnings per share emerged at 50.1pa rise of 5p.

The directors propose a final dividend of 15p (14p) making a total of 23p against 20p.

In addition they recommend a one-for-one scrip issue. Cofi, a Luxembourg invest-ment holding company control-led by Mr Giorgio Rossi, has

led by Mr Glorgio Rossi, has bought, a 10.75 per cent stake in Brown Shipley Holdings, the UK merchant banking group.

Lord Farnham, Brown Shipley's chairman, said yesterday that the stake was wellowe. "We know Mr Rossi very well," he said. "We are likely to be able to do successful business together."

The acquisition of the stake follows the purchase last July of a 25 per cent stake by Kredietbank Luxembourgeoise, another ally, meaning that over 35 per

ally, meaning that over 35 per cent of Shipley's equity is now in friendly hands. Earlier this year, the group had been viewed as a possible takeover candigroup's products, with the two wholly-owned subsidiary com-panies, Clifton Engineers and John Nissim, both increasing turnover and profits, as did WSK (Electrical) in Scotland.

John Nissim, both increasing turnover and profits as did WSK (Electrical) in Scotland.

FII GROUP.—Of the 6.82m ordinary shares offered by way of rights, 5.95m shares (89.9 per cent) have been taken up and the remainder have been sold at a premium.

date.

Mr Rossi, who is a former chairman of SNIA VISCOSA and general manager of Credito Italiano of Milan, previously held a 6 per cent stake in Guinness Peat, the financial services group, which he sold when the company was restructured in 1983.

### Delaney rises to £185,000

Delaney Group, Birminghambased furniture maker and dis-tributor, raised pre-tax profits by £25,000 to £185,000 for the first half of 1986, on increased again turnover of £3.81m, against tiple £3.68m.

Mr R. Delaney, the chairman, said prospects for the remainder of 1986 were encouraging and he looked forward to reporting favourably at the year end. Pre-tax results benefited from lower interest charges of

287,000 (£122,000). Earnings per 10p share were up from 1.6p to 1.85p and the interim dividend is raised to 0.9p (0.8p) net—last year's total was 2.4p on £560,000 pre-tax profits. The chairman said the con-

tract furniture market offered considerable potential for fur-ther growth and the company cantinued to develop its activi-ties in this area.

METSEC, manufacturer of structural components and systems, attributes its lower systems, attributes its lower interim results to bad weather hitting the construction market. Taxable profits in the first half of 1986 were £602,000, down from £776,000 on turnover of £7.59m (£7.71m). The dividend is 1.3p.

STAR COMPUTER is to acquire 51 per cent of the capital of Connect Data for an initial conconnect para for an initial consideration of £100,000 cash, with a further consideration (maximum £480,000) based on a profits performance over the three years to September 30 1989.

8.1

#### GRANVILLE Granville & Co. Limited 8 Lovet Lane London EC3R 88P Telephone 01-621 1212

### ZETTERS GROUP PLC

FINANCIAL YEAR ENDED 31.3.86: EARNINGS PER SHARE — UP 39% DIVIDENDS FOR YEAR - UP 25% PRE-TAX PROFIT

— UP 27% AFTER TAX PROFIT - UP 39% Paul Zetter, CBE.

"A Final Dividend of 3.75p per share, making 5p for the year (4p for 1985), is a pleasing and logical outcome of a successful year."

### Electronic **Financial** Services

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#### **UK COMPANY NEWS**

# Banro expands 50% and makes £3.3m cash call

On turnover shead from 1988. £14.42m to £19.57m this engi-neering, distribution, security they equipment concern pushed tax-able profits up to £851,000 com-pared with £562,000. The direc-

The rights issue, which is nderwritten, is on a one-forthree basis at 40p. The major part of the funds raised would be applied against the level of

M6 Cash &

Carry jumps

Operating profits, before exceptional items, were £40,000. higher at £411,000. Growth in sales of higher mar-gin products such as furniture,

non-foods and alcoholic drinks compensated for reductions in groceries and provisions, the

Tax charge was £81,000 (nil) and earnings per 25p share came to 6p (4.2p), or 5.2p (5.8p) excluding the exceptional item. An interim dividend of. 1.06p net is being paid.

by 71%

The directors pointed out that they would continue to investigate all opportunities for expanding the company's scale pared with £562,000. The directors said they expected progress to continue and had every confidence that the full year's results would be satisfactory.

The rights issue, which is underwritten is on a one-for.

Banro was continuing to bank borrowings and would fin-ance increasing working capital tained its progress. The French requirements.

Baaro Industries yesterday in effect, lifted from an September 1985, had met expected operation of 1986, and also equivalent to 4.33p, and directors was considered that there was considered to raise £3.3m by way of a rights issue.

On immover ahead from 1986, ment, due next April, of the deferred consideration for the Lintek acquisition.

> rights issue the directors said that an increased level of trading during the first half of the year had generated significant additional working capital requirements which, to date, had been serviced by increased bank horrowings. bank borrowings.

mand in North America for its range of sunroofs, while Plated had been depleted by extended credit arrangements in North America and certain items of requirements.

After six months tax of performed well and prospects as costs incurred in the successful per share were shown as 6.5p, compared with a restated 4.7p, while the interim dividend is, sories), which was acquired in the receiver, for £350,000.

# Mucklow rises 5% and

A. & J. Mucklow Group, the that pre-tax profits would industrial property investment improve further in the current and development concern, has year. achieved the modest improve. In from £5.12m to £5.37m.

Gross rental income improved 11 per cent to £7.66m (£6.92m).

In industrial property, gros ment in full year profits pre-dicted at the interim stage. Pre-from £5.82m to £7.58m, includ-tax figures for the 12 months ing a first contribution from the to June 30 1986 rose 5 per cent Horsham Estate acquired in

value of the industrial property After tax of £1.68m (£1.67m) portfolio was carried out at the earnings per 25p share rose year end and the properties from 6.54p to 7.01p. The final were revalued at £66.42m, dividend is 3p net for a total involving a reduction in the net payment up from 5.05p to revaluation reserve of £2.47m. The company said market tion in valuation yields affectconditions were continuing to
improve. The property development programme was being will be incorporated in the
expanded and indications were group's accounts.

#### **Bemrose** gets off to a good start

Bemrese Corporation, security printing and advertising, premotional and retail products group, has fulfilled its expectations of a good start to the year with first-half pretax profits of £707,000.

In the comparable period of last year the group in-

of last year the group in-eured a £728,000 pre-tax loss on turnover of £30.4m, includ-ing a £13.17m contribution from the packaging busi-nesses sold at the end of last year. However, a recovery in the second half resulted in profit of £1.62m for the year. Bemrose attributed the result just recorded on turnsver of £18.21m to a strong per-

of £18.71m to a strong per-formance at Bemrose Security Printing, together with savings in group headquarters and lower interest costs. It added that borrowings in the six months to June 28 were also down sharply, mainly due to the disposal and stringent cash controls.

cash controls.

The interim dividend is being raised from 1p to 3p per ordinary 25p share. Earnings per share have risen to 3.6p from a loss of 7.57p

A payment of \$310,000 was made in July in settlement of a dispute with Spesi SA in connection with the supply of a text processing system. The extraordinary charge made to cover this was offset by excess provisions made last year on the sale of Benrose Packaging, resulting in a nil extraordinary charge.

ordinary charge.

Bemrose was pleased with the first-half results of its operations for supplying personalised goods to the US advertising industry,

In the second half, normally the streamer period the calenthe stronger period, the calen-dar, diary and advertising products business is expected

oducts business is expected produce satisfactory results. Improved profits in the giftwrap and designs for transfer-printed fabricare husiness was due to successful

# Candover ahead and pays first interim

Candover Investments, man-agement buy-out specialist, yes-terday reported net assets up ing a stock market listing or with 198p six months earlier.

With after-tax profits for the half year 63 per cent higher at of the fact that a significant £274,000, against £168,000 in proportion of the Fund's the first half of 1985, the company is paying a first-ever interim dividend of 2p net. Last year's single final was 4p from £444,000 net. 13 per cent to 223p per share realisation.
28 at June 30 1986, compared Mr Wref
with 198p six months earlier, of 46 per

\$444,000 net profits.
Total half-year income rose
by £450,000 to £944,000, Pre-tax
profits were ahead 61 per cent
at £419,000 (£260,000) and earnings per 25p share increased from 2.34p to 3.84p.

from 2.34p to 3.84p.

Commenting on the figures,
Mr P. G. Wreford, the chairman, said that while the firsthalf performance produced a
satisfactory result, "Candover's
profit depended partly on
transaction fee income which
was relatively high in the first
six months."

Shareholders are told that the valuation of the oHare Canthe valuation of the oHare Candover Exempt Fund, which was launched in March 1984 and is now almost fully invested, had risen over the two and a half year period from the initial capital value of £7.48m to a net asset value at June 30, 1986, of £10.89m—adjusted to include the value of certain investments

#### Trade Indemnity income rises

Trade Indemnity, the credit marketing and increased aware-usurance company, has re- nes of the benefits of credit

Trade Indeunity, the credit insurance company, has reported an increase in premiums written in the first half of 1986 from £31.51m to £35.31m. The dividend of 1.85p is being paid, compared with 1.417p previously, adjusted for the two-for-one scrip issue in May. The dividend will cost £402,726 (£307,659).

Mr Peter Dugdale, chairman, said the increased level of new business was due to successful marketing and increased awareness of the benefits of credit insurance.

Premiums written on the period under review increased by 12 per cent from £31.51m to £35.31m.

After reinsurance the company retained £15.87m (£13.2m).

The 1984 underwriting account, after making provision for all known claims, showed a credit balance of £5.87m (£4.96m). The 1985 account showed a credit balance of £7.64m (£6.16m).

managers of the Fund, had already produced a useful benefit to the company's net asset value, and "consideration is now being given to the launch of a successor fund so as to build on this progress."

During the half-year Candover continued to be active in arranging and investing in buyouts where less than £10m of

outs where less than £10m of equity was required with 10 investments, five in new companies and five in existing Candover companies.

No investments were made in

No investments were made in the half-year under the Electra Candover Direct Investment Plan which Candover manages in partnership with Electra In-vestment Trust: this is intended

to specialise in management buy-out of UK-based companies

where the equity required is more than £10m. But the chair-man added that a number of

MARSH FINANCIAL MANAGEMENT, Tunbridge Wells,
has made the following appointments: Mr David Croft to sales
and marketing director; Mr Ren
Butler group financial director
and director in charge of the
regional office in Dartford. Mr
Trever Rider administrative
director

#### **APPOINTMENTS**

## **Cementation International** new managing director

CEMENTATION INTERNATIONAL, overseas building the international banking diviand civil engineering arm of the ston; he remains a non-erecutive
Trafalgar House Group, has appointed Mr Michael J. Slater securides Company, 2 Japanese as managing director. A main board director of Cementation loard director of Cementation is securides house, is seeking a UK banking licence on which Mr Cunningham will be advising made assistant MD earlier this Nikko. If the licence is granted year. He was responsible for the company's largest project to

Mr Michael Slater, managing director of Cementation

International

MARSH FINANCIAL MAN-

Mr Colin Keer has joined BANKERS TRUST COMPANY as a managing director, based in London, Mr Keer, previously a director of Samuel Montagu & control of Samuel Montagu & Co., is to be jointly responsible for corporate finance business in the UK with particular responsibility for the development of Bankers Trust's merger and acquisition business and for organising the bank's public equity strategy in the UK.

Mr Maurice Healy, deputy director of the NATIONAL CONSUMER COUNCIL, is to be its director from Japuary 1, 1987. He succeeds Mr Jeremy Mitchell.

Mr Geaffrey Kent has joined the board of CORAH as a non-executive director. Until recently he was chairman and chief executive of the Imperial Group. He is a director of Lioyds Bank and Lloyds Merchant Bank Holdings. He is also chairman of the North and East Midlands regional board of Lloyds Bank. International
date and one of the Middle
East's largest building projects
—the £308m Sultan Qaboos
University Project, Oman. The
university will shortly be admitting the first students and the
500-bed university hospital, currently under construction is
scheduled for completion in
1988. Mr Slater is now responsible for all of Cementation's
construction activities in West
Africa, the Middle East, Caribbean basin and North America
and for the development of
potential projects elsewhere.

is in Thirty years after joining the onson's Lock and Vince as an office boy at the age of 17, Mr Kenneth uribrica where his career began. He has been appointed new homes manager for its expanded successor STIMPSONS, part of the Black Horse Agencies network, a Lloyds Bank subsidiary.

Mr Ian Dixon, deputy chairman of John Wilmott Holdings of Shefford, Beds., has been appointed vice chairman of the CBI's eastern region council. He is vice president of the Char-tered Institute of Building.

Mr Andrew Sofroniou and Mr Mr John R. Cunningham has been appointed senior advisor (banking) to THE NIKKO SECU-tively chairman and managing RITIES COMPANY (EUROPE), London. He recently retired from Coutts & Co. where he was an EENLOX HOLDINGS.

# sees further improvement

M6 Cash & Carry, the whole-saling group which came to the USM in July, lifted pretax profits by 71 per cent from 271,000 to £464,000 in the 28 weeks to July 28 1986. The result largely reflected the company's policy of concentrating on margin improvement.

Turnover for the period dropped from £30.41m to £30.15m. Profits benefited from an exceptional credit of £53.000.

£30.15m. Profits benefited from an exceptional credit of £53.000, against a £100,000 charge before. Mr P. Baines, the chairman, explained that last year it was felt prudent to make an exceptional stock provision against a certain range of toys, but a satisfactory arrangement had been reached with the supplier and the stock disposed of, resulting in the exceptional profit.

**BOARD MEETINGS** 

<del></del>	
TODAY	
Interime: William Be	
Berr and Walleon Amold Hepbum, Boddingtons Br	
cate International, Cha	
America, Clarke Nickolls	and Coomba,
Garton Engineering, Ka	mning Motor,
Laporte Industries, M William Morrison Superi	
Parrish, Perry Group,	Trinity Inter-
astional, Wolstenholma	
Finals: Blanchards, Con wave, DPCE, Hampdon Ro	macana. Home



#### **MEDSERV CORPORATION**

is proud to announce the acquisition of the **Dental Laboratory Division** 

**IPCO CORPORATION** 

September 8, 1986

MEDSERV CORPORATION, 100 Prospect St., Stamford, CT 06901 (203) 327-0900



#### Woodchester investments p.l.c.

Introduction of 19,210,480 ordinary shares of IR20p each on The Stock Exchange in London and Dublin arranged by J. Henry Schroder Wagg & Co. Limited

Woodchester is engaged in the leasing and finance of office, business and telecommunications equipment to a wide range of commercial and business users and in the provision of sales-aid facilities to suppliers of such equipment. Woodchester is also active in providing contract-hire facilities relating to motor vehicles.

Following the acquisition of Hamilton, which carries on a similar business, the enlarged group controls a portfolio of over IRE50 million represented by some 38,000 active accounts and has an approximate 10% share of the leasing market in the Republic of ireland.

fully paid Authorised ordinary shares of IR200 IR£3,842,096 IR£3,905,480.40 Listing Particulars relating to Woodchester Investments p.l.c. are available in the Extel Statistical Services and s of the perticulars may be obtained during normal business hours up to and including 22nd September, 1986 from ompany Announcements Offices of The Stock Exchange in London and Dublin and until 2nd October, 1986 from:

Issued and

# ARTHUR AREA SECTION AND DEPOSIT OF THE OWNER.

# Brighter news, despite stormy start to the year.

Despite the many severe storm and burst pipe claims we faced in the UK early in the year, the first half of 1986 has been brighter.

Although the total cost of these claims was some £8 million much of this was absorbed by increased premium rates, and the worldwide loss on short-term business has been reduced from £13m to £2.7m.

New life annual premiums rose to new levels, helped by the buoyant endowment mortgage market in the UK. Single premiums from our innovative capital transfer tax planning contract fell due to changes in the Budget, but there was an encouraging increase in other investmentrelated contracts.

The net profit from UK life and pensions business increased to £17.9m (£16.1m).

In local currency terms long-term profits from international operations improved but movements in sterling on foreign exchange markets led to a slight fall in reported profits.

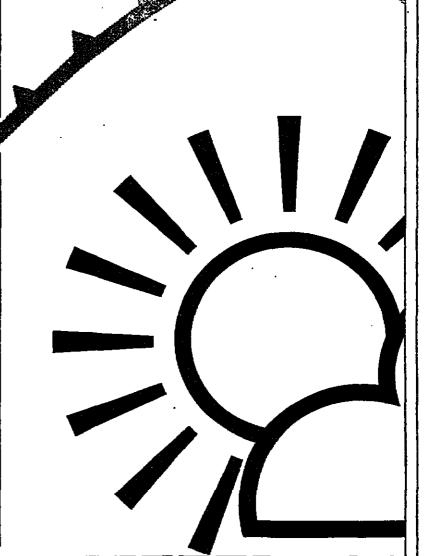
> Overall there was a jump of 52 per cent to £28.4m in the

Group's worldwide pre-tax profits. And the interim dividend payable on 1 December has been lifted to 3.25p.

To receive your copy of the full results, just post the coupon below.

Unaudited results for half-year. Half Year 1985 Half Year Full Year 1986 1985 £31.5m Pre-tax profits £28.4m £18.7m £17.3m £37.7m £23.4m Shareholders' profits 5.07p 3.76p 7.86p Earnings per share 8.17p 3.25p 2.83p Dividends £15.01m £13.05m £37.7m Cost of dividend

Please send me my free copies of the Legal & General Interim and Annual Reports. Send to: The Group Secretary, Legal & General Group Plc, Temple Court, 11 Queen Victoria Street, London EC4N 4TP.







# Accountancy Appointments

#### FINANCIAL CONTROLLER

(DIRECTOR DESIGNATE)

**QUOTED COMPANY—KINGSTON** Package to £25,000 ACA 28-35

Our client is a fast growing company in the Hi-Tech field with fully computerised management information systems. The current F.D. has taken-up a more general management role within the company, following the company's sustained growth. A suitable replacement is now being sought to report directly to the Managing Director. The role will cover the normal financial controls with added responsibility for the continuing growth and improvement of the company's internal management

The successful candidate, will posess and have demonstrated a high level of commercial awareness in addition to the usual expected skills.

Please raply in Strict Confidence, Philbrand Associates 8 Blackhills Esher KT10 9JW

# Financial Controller Are you outstanding?

We are a firm of executive search consultants. Our client — a leading international food manufacturing company based in the Midlands, has assigned us to find a first class Financial Controller who is seeking a unique career opportunity. To succeed you would need to meet the following criteria:

age 28-40 years
salary Currently corning in excess of £18,000
possess \* first class financial skills;
\*\* a track record in successfully managing high calibre

personnel;
\* the drive and ability to reach a top management white three and make to release to phasing a factor position within a short period of time;

\* the desire to stretch your capabilities and broaden your experience in a competitive and professional environment.

Please write in complete confidence to me, Joanna Man Ely House, 37 Dover Street, London W1X3RB. Telephone 493 8827.

# Chartered Accountants and the Big Bang

Salary £20,000 + and Benefits

Spicer and Pegler, one of the fastest growing accountancy practices in the UK, with a leading reputation in the City, is now seeking to recruit additional managers for its financial sector group covering major banks and security houses.

Successful candidates will ideally be graduate Chartered Accountants already holding a senior position in a professional environment who can demonstrate both expe and interest in the exciting and internationally expanding banking and financial

There are excellent opportunities for career progression with commensurate financial

If you have the required credentials, you should send in confidence, a detailed CV, including current salary to John Cornish, at Spicer and Pegler, Friary Court, 65 Crutched Friazs, London EC3N 2NP.



Spicer and Pegler

#### **GROUP FINANCIAL DIRECTOR**

**NOTTINGHAM** 

Basford Textile Group Limited is a well-established group with a profitable turnover of approximately £10M, (including a significant export element). Group headquarters are in Nottingham, other locations are dispersed within the UK. The Board now wishes to appoint a Group Financial Director.

The successful candidate will be a chartered accountant — with experience in industry, preferably manufacturing or processing. He or she will be an intelligent, clear-thinking diplomat who is able to combine both strategic and tactical financial thinking and who has the ability to debate business issues positively and creatively. Age indicator 30-50.

Salary negotiable from £26K. Share option acheme. Car. Penaion. Medical inaurance. us scheme. Assistance with relocation.

For further information and an application form please telephone Windoor (0753) 857175 (24 hours), or write with full details including salary progression to David Mackintosh, Manager – Human Resources, 3I Consultants Ltd, 8 High Street, Windoor, Berkshire SLA 1LD quoting reference DM/518.

3i Consultants Ltd **Human Resources Division** 

# **DIVISIONAL FINANCE DIRECTOR**

**Thames** 

To £30,000+Car + Benefits Package

Our client, a diverse UK public company has achieved an enviable record of growth in recent years. In keeping with continuing growth trends a requirement has been identified for an additional senior financial executive to enhance the effectiveness of management at divisional level.

Responsibilities will include co-ordinating financial reporting for a number of subsidiaries both in the UK and overseas. Developing and preparing budgets, plans and forecasts and maintaining accounting standards throughout the division. It is envisaged however, that the major contribution from this role will emerge from ad hoc exercises undertaken across a broad spectrum of financial matters including new investments and acquisitions.

Suitable candidates will be qualified accountants, preferably graduates, aged 33-45, experienced both in head office and operating company environment. A strong commercial flair and flexibility of approach are essential as the position could lead towards general management responsibilities.

In addition to a highly competitive salary the position offers a comprehensive benefits package which includes a performance related bonus scheme. share options, private medical Insurance, and relocation assistance where

Please apply in writing to Peter Breen.

Robert Half Personnel, Freepost, Roman House, Wood Street, London EC2B 2JQ. 01-638 5191.

ROBERT HALF

#### **EUROPEAN TROUBLESHOOTERS** ACA/CA/BMA's or equivalent

Based in READING, Berkshire, our client is a major U.S. COMPUTER MANUFACTURER whose EUROPEAN turnover exceeds £2,500M. number of opportunities arise for well qualified HIGH ACHIEVERS aged 25-30 who wish to travel extensively in EUROPE. Being able to communicate in another European language would therefore be an advantage but is not a size our now. not a sine qua non.

Successful candidates will not only encounter a friendly, dynamic working environment but can also look forward to RAPID PROMOTION to line management positions in the near term.

If you have a GOOD RELEVANT DEGREE, are qualified ACA/CA/ACCA or equivalent and willing to undertake assignments with ENTHUSIASM AND PANACHE please call in the first instaance and send your c.v. to:

TIM WINGHAM ACA Accountancy Appointments Europe International Business Centre 1-3 Mortimer Street, London WIN 7RH

Accountancy Appointments

# International Appointments

# CHIEF ACCOUNTANT

MIDDLE EAST

A Chief Accountant is required for a Medical Disposable Manufacturing Plant in Bahrain.

This position will cover all aspects of accounting including credit control, and assisting in negotiations with international banks.

necessary experience, as a good track record within a similar industry coupled with at least 5 years' experience of the Middle East is essential.

It is unlikely that anyone aged under 40 will have the

In return, we offer a tax-free salary off £20,000 pa plus accommodation and car, with a substantial increase after completion of a successful first year.

The successful applicant will hold bachelor status in the first year, and therefore 4 weeks leave (plus 15 national holidays) together with 2 return 1r tickets to the United Kingdom will be provided.

Applications in the strictest confidence to Box A0267, Financial Times, 10 Connon Street, London EC4P 4BY

#### FINANCIAL ANALYST HOLLAND

A multi-national company engaged in the trading, shipping, storage and distribution of chemicals throughout North, Central and South America requires a young professional accountant to join its corporate staff based in AMSTERDAM.

Responsibilities of the position will include:

Analysis of the monthly results of approximately 50 subsidiaries:

Assisting with the preparation of the Group budget, year-end closing and annual report;

Monthly consolidation of Group results.

The job involves close liaison with the president and senior management and it is essential that the successful applicant has had experience at a similar level. Other requisites are:

University qualification:

Ability to work to tight deadlines;

Experience in computerised accounting systems.

Preference will be given to Spanish-speaking candidates.

The position offers an excellent remuneration package including relocation costs, etc., and possibilities of future relocation to Latin

Interested candidates should send a written curriculum vitae to:

The Chief Financial Officer Holland Chemical International (Services) B.V. P.O. Box 12910, 1100 AX Amsterdam

# SENIOR FINANCIAL ACCOUNTANT

Fluent in Arabic

Based in the Gulf, this substantial investment management agency, established by the Government of a Middle Eastern country, is growing in size and complexity. A qualified Senior Financial Accountant is required for the agency's

investment accounts department. Reporting to the Director, Investment Accounts, key responsibilities will be reviewing accounts and operational requirements and implementing and managing enhanced procedures. Particular emphasis is placed on computerised accounting and management information rems development.

Fluent Arabic is required for this

up to £90,000 package tax free

position. Professionally qualified candidates should also be experienced in developing, implementing and managing integrated accounting systems.

The remuneration package will include the full range of expatriate benefits. including accommodation, car, air fares and a two year renewable contract on a single or married basis. All applications will be discussed with our client and candidates should therefore indicate any organisation for which they do not wish to be

Please write in confidence, enclosing career details and quoting ref. 2577/L to, Mike Smith, Executive Selection Division.



Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfrians, London EC4V 3PD.

# Head of Internal Audit Sultanate of Oman

c£27,500 equiv + benefits →

Our client, a department of the Government of Oman, wishes to recruit an enthusiastic Chartered Accountant for this key appointment based in

The successful applicant will report to the head of this department and be responsible for the continuing development of audits, covering operational and financial procedures including computerised systems. In so doing there is also a continuous need to initiate new programmes and expand the audit function.

Suitable applicants, 25 years and upwards, must be Chartered Accountants offering solid audit expertise and currently employed in the "profession" or in a large organisational internal audit department. In addition they must have a natural enthusiasm and ability to make a positive

contribution to this key function. As well as a tax free salary which provides a high savings potential, other benefits include car, free air-conditioned furnished accommodation (married or single status), free medical coverage

and generous fully-paid UK home leave twice per annum. Initial contract is for two years, renewable.

Candidates should apply in confidence enclosing a full CV and current salary and quoting reference MCS/7198 to Michael R. Andrews **Excutive Selection Division** Price Waterhouse **Management Consultants** 

No 1 London Bridge

Price Waterhouse



## Worldwide Travel Line Management Opportunities Single or Married Status

Our client, one of the most advanced U.S. oil majors with revenues exceeding \$60 billion, is seeking to strengthen its Corporate audit resources. Opportunities are currently available for both operational and EDP auditors.

A policy of promoting members of its international audit team to line positions, after acquiring at least 3 years' experience of worldwide operations, has led to these current vacancies.

Assignments range from 2-4 months in any one location, with audit teams travelling directly from one country to the next. Audit reviews are performed in most countries throughout Europe, Africa, Far East and South America. Proficiency in a second language would be a definite asset.

Candidates for operational audit should be

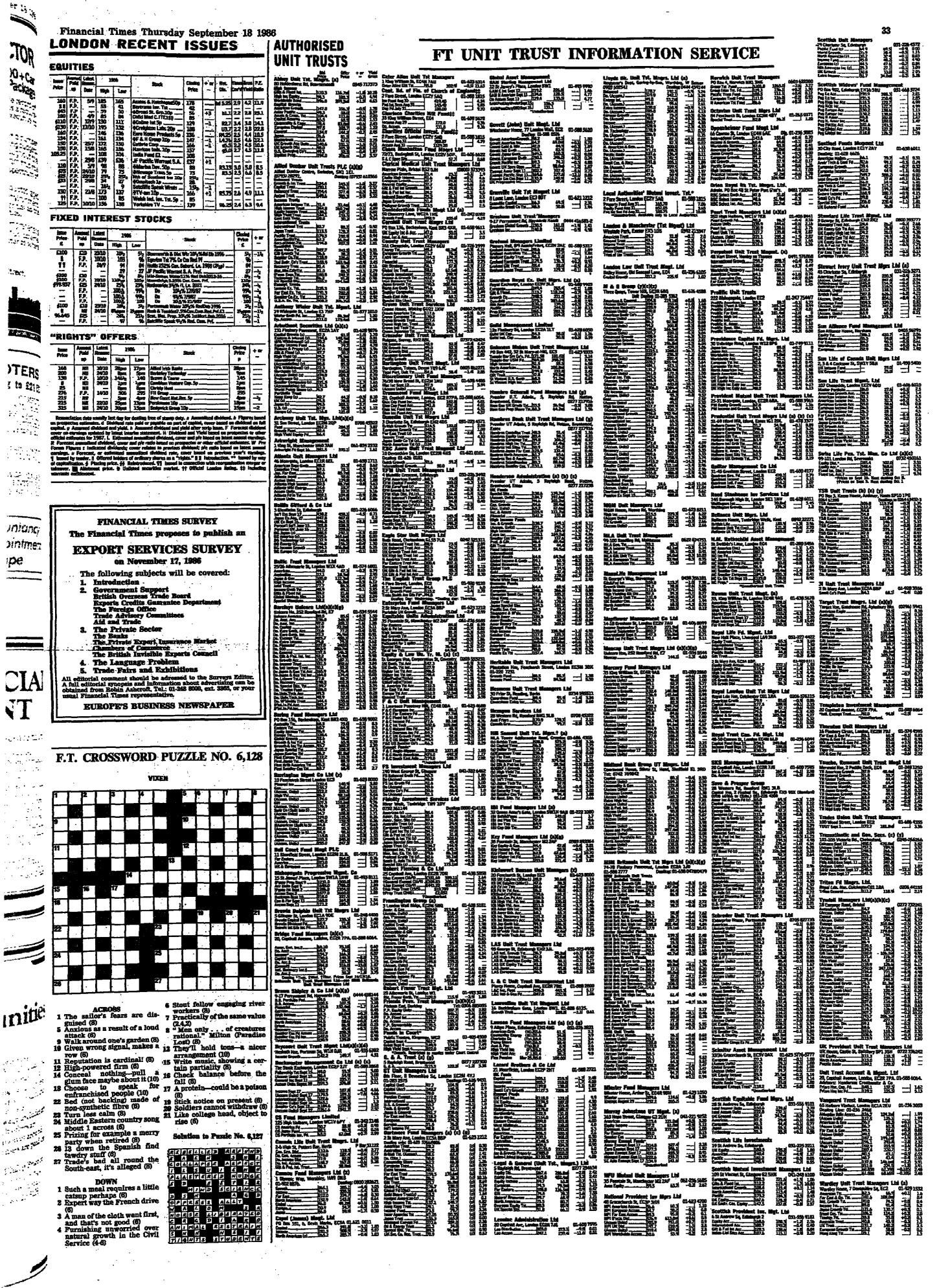
ACA's or equivalent, ideally with a large firm background, aged mid to late 20's. The EDP audit role demands an EDP audit background, preferably in a major organization. Both positions require a high level of self motivation, excellent communication skills and a demonstrable level of achievement to date. The attractive remuneration package includes an

after-tax salary of c£14,800, which offers an opportunity for capital accumulation of around 80%, as full travel and living expenses are paid for both employee and spouse. Interested applicants should contact Phillip Price or

Ben Colman on 01-831 0431 or write, enclosing a comprehensive c.v., to Michael Page International, 39-41 Parker Street, London WC2B 5LH, quoting ref. 4985.

# Michael Page International Recruitment Consultants

London Brussels NewYork Paris Sydney A member of Addison Consultancy Group PLC



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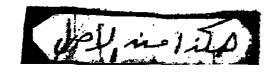
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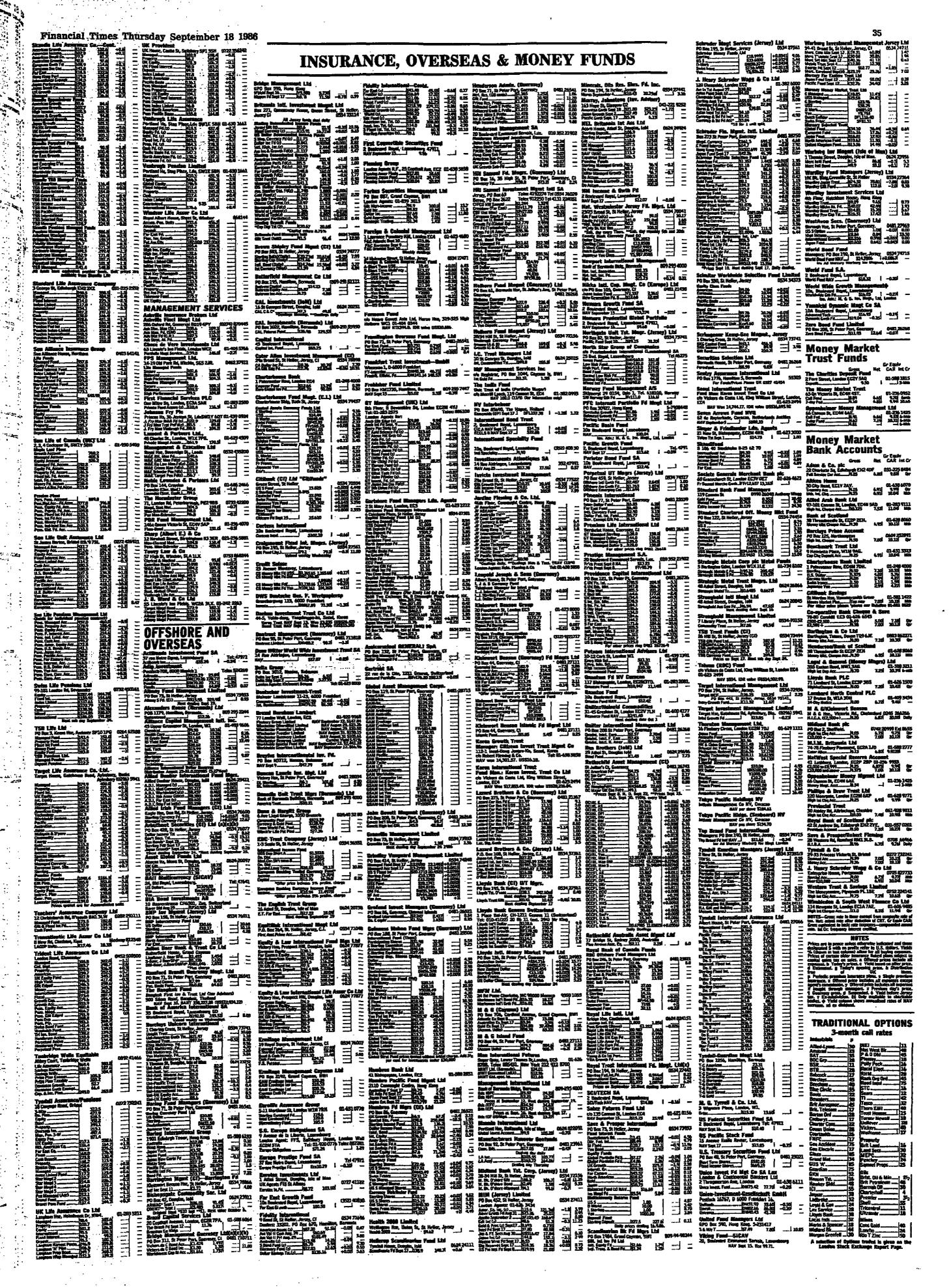
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**US MARKETS** 

NEW YORK

**US oil** 

market

poise

recovers

last batch of figures from the American Petroleum Institute,

released late on Tuesday, which showed a discouragingly large increase in stocks of both crude and refined products in the US.

and renned products in the vs.
In the second week of September stocks of distillate rose by
6m barrels, while gasolene stocks were 4m higher and crude stocks up by 3m barrels.

Traders noted, however, that the serious glut of product may be serious they expended growing.

the serious gain or product may at least have stopped growing. Tuesday's statistics on refinery runs, which have been running at up to 20 per cent higher than a year ago, show a fall of about 170,000 barrels a day, indicating

that runs may be at last starting to come down.

In London, North Sea oil

recovering towards \$13.80 in the

Island is reported to have caused extensive damage and some dealers said yesterday this

some dealers and yesterday instead was the main influence supporting the market.

North Sea production in August was a little below the July level, with daily rates down by 12,500 barrels in the UK and 3,500 in Norway. According to the course from Lynes Canel.

and 3,500 in Norway. According to figures from James Capel, stockbroker, the average production of oil in the UK in the first eight months of the year was 2.59m barrels a day, compared to 2.53m barrels last year, and Norwaczian production was

and Norwegian production was 832,000 compared to 760,000 barrels a day.

Producers seek

CONSUMER countries in the International Coffee Organisa-tion will today consider a pro-ducer proposal to extend the

distribution for another year.

It is already clear, however

that consumers are not happy

they want quotas distributed on a rational basis, ICO delegates

coffee export quota extension

prices ended more outchanged, although the day deals were struck over a wide price range, reflecting a

the market.

# China faces problems in meeting aluminium goals

ties in meeting its growth

being put forward for new plants, but existing smelters are being plagued by power short-ages and the poor quality of Chinese bauxite, the ore from

Chinese bauxite, the ore from which alumina, the raw material for smelting, is produced.

As a result, some smelters are running below capacity and China—a country with large bauxite reserves—is forced to import alumina from abroad—about 300,000 tonnes a year according to one Hong Kong trader.

trader.

The position at Guizhou Aluminium Plant, China's most modern smelter completed by a Japanese company in 1981, is particularly embarrassing for the non-ferrons metals industry. The 800m yuan (£150m) plant, built in an economically-backward but hauxite-rich province was intended to show China's ability to run a self-reliant advanced industrial centre in a remote area—but the smelter, advanced industrial centre in a remote area—but the smelter, 600 miles from the nearest port imports an estimated 80,000 tonnes of alumina a year from Australia, according to Hong Kong traders, or more than one-third of its needs. A stockpile of imported alumina, its least host like in a of imported alumina, ed in large bags, lies in a ige yard near the smelter. canwhile, China's largest

CHINA'S aluminium industry. smelter at Fushun, Liaoning which has been singled out for rapid expansion under the country's 1986-90 Five Year Plan, will face serious difficulties in meeting its growth shortages in the area, which is been growing rapidly as the Chinese economy has boomed with scong demand for electrical wiring, household utensils and cans.

In 1985 China imported capacity because of power shortages in the area, which is heavily industrialised.

Mr Sheng Da Ming, an official at the planning department of the China National Non-Ferrous Metals Industry Corporation, said that new smelters (includ-



ing Guizhou) were sited near to sources of hydroelectric power. Chinese bauxite was difficult to treat, but China had developed unique technology to process it. Mr Sheng declined to comment on problems at

China produces about 400,000 tonnes of aluminium a year, according to Western industry estimates. But this falls far

488,000 tonnes of aluminium— an increase of 93 per cent on 1984 and the largest single con-tribution to a total non-ferrous metals import bill of \$800m.] This year, China is making strenuous efforts to ent invocate strenuous efforts to cut imports to save foreign exchange; imports for the first five months were 94,000 tonnes, 40 per cent down on the same period last

year.

The China National Non-Ferrous Metals Industry Corporation plans to raise output by 420,000 tonnes by 1890, but concedes that the country will still need to import aluminium in sizeable quantities. It is pressing on with major investments—including the completion of an alumina plant in Shami province and a smelter built partly out of secondhand Japanese equipment in Gansu, and the proposed construction of a smelter in Guangal Autonomous Ragion, which is being nomous Region, which is being discussed with Pechiney, the

and George Wimpey, the UK construction company.
However, the largest recent investmen: of foreign exchange in aluminium has, significantly, been made abroad—the purchase of a 10 per cent stake in a new smelter at Portland, Australia, at a cost of A\$115m (US\$72m).

# Bangladeshi buffer stock steadies jute prices

world market with its recently-announced plan to create a buffer stock of the commodity

for the time being at least.

Traders report that prices for raw jute have firmed in recent raw jute nave named in recent weeks—particularly for higher-quality grades. The most traded raw jute grade, BTD/BWD, which is used to make grain sacks among other things, has risen by about 10 per cent in the rest four weeks according the past four weeks, according to R.E.B. Willcox, a London

in the past month, and un- standpoint and the availability needed for p

BANGLADESH, the world's certainty is such that prices of godown (warehouse) space."

The report sayps Bangladeshi prices are highly competitive, considerable nervousness as a especially with Indian product, in spite of a glut of fibres in the will be of poor quality, par-ticularly in white jute.

Willcox says in its latest market report that the Bangla-deshi jute policy, announced deshi jute policy, announced several weeks ago, was "a non-event." The government has decreed that there should be no statutory minimum price for loose jute, and that it intends to create a buffer stock of about

The report says: "The feasibility of this must be questionable from both the financial at a time when they are badly and time when they are badly are at time when they are badly are the time they are badly are the time they are badly are they ar

latter country.

"With the diparity in local prices in the countries, there will no doubt be sizeable quantity in the bone will be sizeable quantity of the bone will be sizeable quantity. will no doubt be sizeable quantities of jute going over the border from Bangladesh to India."
In jute goods, European traders are said to be seriously concerned about an order backlog resulting from several months of reduced production at many Bangladeshi mills. Willcox says this is now seriously affecting availability of bags in the European market, at a time when they are badly

# World wool clip 'will remain high'

will probably be available over the next few years than in the five seasons to 1984 when the average world clip was 2.898m tonnes greasy (1.63m tonnes in this equation. Because of the next few years than in the fave reductions.

The five-year drought has cut output in South Africa severely while the Soviet clip and that in China will both see the next few years than in the forward from 1985-88.

Australian output is crucial that in China will both see the next few years than in the forward from 1985-88.

Australian output is crucial that in China will both see the next few years than in the five-year drought has cut of the five-year drought has cut of

Increased availability stems Yugoslavia.

WORLD WOOL production in the 1986-87 season is expected to remain at the high level recorded in 1985-86.

First estimates from the Commonwealth Secretariat. Which monitors output, suggest there will be "virtually no change in the size of the world wool available in the present season, which opened on July 1, will be about 1 per cent, or 20,000 tonnes, this year and now believe the ligher at 1.85m tonnes clean. This means that availability this means that availability wool from its merio sheep, it is the source of the largest part of apparel wools the largest part of apparel wools on the largest p

# LONDON

COPPER prices rose sharply on the London Metal Exchange yesterday, reflect-ing strength on New York's Commodity Exchange and reinforcing the firmer trend in the market since the beginin the market since the begap-aing of title mouth. The market was also bolstered by a fall in sterling against the dellar. Cash grade A metal rose £12.75 on the day to OIL PRICES recovered their balance yesterday in New York, as the price of West Texas Intermediate moved firmly above \$14 a barrel. By early afternoon it had risen by nearly 30 cents to \$14.25 for October

rose £12.75 on the day to close at £229 per tonne, its highest level since late June, when the market fell after US copper producers forced through swingeing labour cost reductions. Robusta coffee £utures also centinued to rise on the London Commodity Exchange, reaching fresh five-month highs above £2.500 in the morning before dropping to £2.462.50 per tenne in the November position, up £10. Cocca futures fell, in line with New York, to close £14 down for December at £1.578.50 per tenne.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unoffici ciose (p. 2 pe	al + c ,m.) — r tonne	High/Lov
Cash Smonths	627-9 804-5	-	909,1/80 923/883
(826-6.5),	three in the series of the ser	nonths	Cash 831- 906.5-9 (799 5), Final Ker 10,750 tonnes
Grade		##6" + #	or High/Lot

Official closing (am): Cash 924-4.5 (10.5-1), three months 944-45 (930-

LEAD

	Unofficia closa (p. £ per	i 十or m.) 一 tonne	High/Low
Cash 5 months	981-1,5 284-4,5	+1 +0.5	283/281,5 285,5/262
Official (280-0.5),	closing three mont 283 2-3. Tur	(am): onths 284 (280.5). nover: 5,	Cash 282-5 4.5 (283-5 Final Kart 575 tonnes ound.
NICK	EL		

closing (em): Cash 2,485-85 three months 2,538-9 (2,538-emant 2,495 (2,510). Final s: 2,542-43. Turnover: 1,308

that consumers are not happy with the proposal, since they have been seeking a new dis-tribution basis for the remain-ing three years of the Inter-national Coffee Agreement which is to end in September Official closing (sm): Cash 597-8 (695-6), three months 598-9.5 (697.5-9), articment 598 (696), Final Kerb close: 597-9. Tumover: 6.375 tonnes. US Prime Western: 44-47 cents a pound.

At an ICO executive board meeting consumers reminded producers they had earlier rejected any such extension since Gold fell & 50 \$6134\_\$414 on the London buillion market yesterday. Trading was thin and nervous, with US selling taking the market down from its peak of \$4157\_\$4164. The metal also opened at \$41340 in the morning and \$413.00 in the storning and \$413.00 in the storning and selling \$413.00 in the storning and \$413.40 in the storning and \$ a rational basis, 120 said.

The quota distribution issue is not expected to be resolved at this ICO council session, scheduled to continue until September 26, since while quotas are suspended there is no immediate pressure to reach a solution, delegates said.

Quota were lifted last February and are not expected to return for some time, since prices at about 178 cents per lb are well above the 134.55 cents trigger level

GOLD BULLION (fine ounce) Sept. 17 GOLD AND PLATINUM COINS Kr'g'r'nd... \$412.414 (22791-8501g)
In Krug.... \$2171-21816 (21471-148)
In Krug.... \$1101-21112 (21471-148)
In Krug.... \$1101-21112 (2761-751e)
In Krug.... \$425.425
Mapielear \$425.425
In Angel \$481-481
New Sov... \$287.405
New Sov... \$381.001g
SEO Engle \$465.315
Noble Piet \$582.5915, (2591-275)

SILVER

SILVER Buillon + or LM.E. p.m. troy oz

NEAT									
LIVE	LIVE CATTLE   LIVE PIGS								
Month	Yiday's close	+0	Yiday's close	+01					
ept et et et	96.00 97.50 99,50 100.00	+1,00	104.80 105.80 98,50 99,50	11111					

MEAT COMMISSION — Average fat-mock prices at representative markets. 58—Cattle 83.38p per kg kv (~2.10). 58—Sheep 127.40p per kg eat dow (~18.20). GB—Pigs 79.52p per kg

#### INDICES REUTERS Sept 16 Sept 15 M'th ago Year ago 1508,71507.8 1450.0 1740.1 DOW JONES

MAIN PRICE CHANGES

COCOA

9430 9441 + 22.5 245-545 9460-8466 + 10.0 2515-240 2410-2416 + 20.0 245-3418 2540-2559 + 48.5 255-5246 2540-2559 + 67.5 255-525 2530-8559 + 70.0 255-255 2515-2532 + 67.5 Sales: 7.081 (5,333) lots of 5 tonnes. ICO Indicator prices (US cents per pound) for September 18: Comp drily 1878 (83.39 (177.78); 15-day average 178.00 (177.43).

SOYABEAN MEAL

Nearby October moved lower but uncovered good two-way commercial trade on the way down. Other positions moved slightly lower in sympathy but in featuraless trade, reports Mulracce. Y'sterd'ys + or Business close - done Sales: 375 (1,470) lots of 20

allers.
HgCA—Locational ex-farm spot prices (including co-responsibility levy of \$2.373 s tonns). Feed barley: Eastern 101.50, E Mids 104.00, N East 105.70, Scotland 103.20. The UK monetary coefficient for the week beginning Monday September 22 is expected to remain unchanged.

**POTATOES** 

Wheat found nervous consumer support which steeded early values, but shipper selking eased prices from the highs. Barley remained quietly steady on a modest shipper to shipper suchenge, reports T. G. Roddick. WHEAT

Sept.... 105,40 Nov.... 106,40 Jan.... 109,16 Mar... 111,70 May... 114,05 July... 115,90

1ME-Turnover, 7 (18) lote of 10,000

The market traded £1.50 down, basic April, on opening but again met with keen buying interest which rapidly litted values during heckle trade to text Tuesday's highs of £178.00 by midmorning. Profit-taking trimmed values but the dips were limited, with selling interest diminiahing below £175.00 and buyers the stronger party, reports Coley and Narper.

HUDBER

"PHYSICALS—Closing prices (buyers):
Spot 65.00p (64.00p): Oct 64.50p
(63.50p): Nov 64.50p (63.50p). The
Kusis Lumpur fob price (Maleysian
cents a kilo): RSS No 1 228.0 (228.0)
and SMR 20 203.5 (201.0).
FUTURES—Index 633, Det 640-845,
Oct/Dec 643-848, Jan/Merch 654-669,
April/June 665-671, July/Sept 658-673.
Sales: Nil. | Mov | Close | Close | Cone |

CRUDE OIL FOR (\$ per barrel) Oct.

Prompt description | 170-176 | -10 | 115-117 | -1 | 115-117 | -1 | 115-117 | -1 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5 | | 115-116 | -5

GAS OIL FUTURES Yest'rdy's - or

US \$ 120.50 +1.66121.08-18.25 125.00 +0.58125.25-20.50 128.50 +1.00129.26-26.38 153.00 +1.00129.26-26.38 153.75 +4.55 122.00 +1.56 — 128.00 +1.50 —

Turnover: 3,409 (4,715) lots of tonness. SUGAR

Business done Whest: Sept 105.95-5.40, Nov 107.00-6.40, Jan 105.70-9.15, Merch 112.10-1.75, Mey 114.95-4.35, July untraded, Sales: 627 100: of 100 tones. Barley: Sept 100: 10-5.00, Nov 107.50-7.30, Jan 110.25-10.10, March 112.50, May untraded. Sales: 138 lots of 100 tones. LONDON GRAHES—Whest US derivorthern spring no 1 15 per cent Oct 97.73, Nov 38.75, US no 2 soft red winter Oct 95.25, Nov 97.75, French 112-12 per cent Sept 129.00. English feed fob Sept 110.50 value, Oct 111.00, Oct/Dec 112.00 seller. Jan/Mar 114.50/ 115.50 buyer/sellers. April/June 119.00 sellers. Bakks: US no 3 yellow/French transhipment cent cent Sept 153.00. Barley: English feed fob Sept 110.00, Oct 112.00 sellers. Oct/Dec 112.75/ 113.50 buyer/sellers. Graylers. Jan/Mar 117.00 sellers.

Sales: 2,437 (1,800) fots of 50 tonnes.

Tats & Lyle delivery price for granulated basis sugar was £188.00 (£187.00) a tonne for export.

Informational Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for September 16: Daily price 4,79 (4.78); 15-day average 4,73 (4.75).

PARIS—(FF per tonne): Dec 1170/1180, March 1199/1200, May 1224/1235, Aug 1254/1270, Oct 1295/1300, Dec 1320/1340.

FREIGHT FUTURES The bunker price continued to ease but had little effect on futures prices, reports Clerkson Wolff.

801/805 796/799 840/641 743/750 960/662 841/871 925/945 880/870 756.0 Тыглочег: 142 (82).

1080/1180 — 1100/1180 1185/1240 — 1165/1240 1210/1280 1286 | 1180/1270 1200 | 1200 1250 — 1260 1067 — 1260

# PORK BELLIES 38,000 lb, cents/lb

India to boost lentil output

INDIA has approved a 460m rupee project to boost lentil output and reduce imports over the four years to 1990, the Agri culture Ministry said. Imports totalled 98,000 tonnes in the year to March 1985 and 64,500 in 1983-84, latest figures show.

The funds will be spent on the control of the control 98.00¢ extending the area under lentils, reising yields by offer-ing farmers better materials, including subsidised high-yielding seeds, and by raising lentil prices and providing low-

cost loans. Nymex to trade gas futures

The New York Mercantile Exchange plans to trade natural gas futures sometime next year, Ms Jan Kay, vice president of marketing for the exchange, told an energy market soutlook conference in Caigary yesterday. As soon as the issue of transportation is resolved, the contracts will begin trading, she said. Ms Kay said the exchange had

been studying the use of gas contracts for a number of years. but recently market participants

#### **EEC** wheat estimate

The European Commission expects that 26m tonnes of wheat will be available for export and carryover stocks in the 1986-87 marketing year which began on July 1. This compares with 27.3m

tonnes available in August last 🏓 The commission says stocks at the start of the year were 16.1m tonnes of which 10.3m were in intervention stores and 5.7m on farms.

## Japan rejects rice import call

Mr Yasuhiro Nakasone, Japan's US call for rice import liberalisation on ground that rice is a state-traded product. a state-traded product authorised under the General Agreement on Tariffs and Trade

Mr Nakasone told parliament that rice is Japan's staple food and the Government will maintain state control. The US Rice Millers' Associa-tion is pressing for Japanese

# Farm crisis that will not go away

AS ANOTHER long, hot programme, which would allow summer of discontent on the farmers to borrow for operating turned to face capital at one price and pay capital at one price and pay capital at one price and pay capital at the lower world market the fact that the 1985 farm bill price. The concept has already the fact that the 1985 farm bill price. The concept has already the fact that the 1985 farm any price. The concept has already price. The concept has already the fact that the 1985 farm any price. The concept has already price. With markets growing so the fact that the 1985 farm any price. The concept has already price. The concept has already favourable weather.

With markets growing so slowly, farmers have been in-

the bankruptcies go on. mittee. and Mr Edward
Out in farm country there is Madigan, the ranking minority

out in farm country there is sorrow. But, even more, there is outrage. The Farmers Home Administration, "the lender of last resort," is owed \$50hn by the Reagan oposition of grounds of Administration on grounds of Several farm groups and Democratis, led by Senator Thomas Harkin of Iowa and Sen J. James Exon of Nebraska, bave been pushing the mandatory collected for export initiatives, targeted for exp

has failed to perform any miracles for US exports.

Subsidies, which were supposed to provide a safety net for troubled farmers, are running well above budget—perhaps as much as \$35bn (£23.7bn) this year—and still the bankruptcles go on.

begn adopted for rice and cotton; grain farmers have been incotton; grain



gress will be unable to act before October 3, the day scheduled for adjournment. RUBBER Optimistically, they are predictthought to be secure but whose Republican majority is not, is leading a bipartisan coalition behind a bill calling for a new form of subsidies.

The legislation requires the US Department of Agriculture to institute a marketing loan tonnes of grain in tonnes of grain in tonnes of grain in cluded that no single measure ing a dramatic 20 per cent rise tonne subsidy, and according to cluded that no single measure ing a dramatic 20 per cent rise in exports for the first full year of the Farm Bill. The recovery plus problem, but it recommended actions like land setting loan tonnes of grain in schemes, and adoption of less price. ing a dramatic 20 per cent rise in exports for the first full year

## CURRENCIES, MONEY and CAPITAL MARKETS

# FOREIGN EXCHANGE

# Pound falls below DM3.00

STERLING FELL below DM 3.00 for the first time ever, and the dollar showed renewed weakness on the foreign exchanges yesterday. Falling oil prices depressed the pound, and both currencies suffered from the general strength of the D. Hark, after Mr Karl Otto Poehl, president of the West German Bundesbank, said he would not cut interest rates, in spite of pressure from the US. In Tokyo Mr Satoshi Sumita, governor of the Bank of Japan, made similar comments, saying the would resist any call for a cut in the Japanese discount rate at this month's Group of Five meeting in Washington.

US economic statistics had little impact, with August housing starts in line with expectations, and compared in Tokyo, with largest per cent was well above market expectations, and compared in Tokyo, with largest the dollar in Tokyo, with largest per cent was well above market expectations, and compared to the general depression surrounding the dollar, although the reluctance of the central I hank to cut rates has been I known for some time. The US currency broke through support at around DM 2.04, and was fixed to the general depression surrounding the dollar, although the reluctance of the central I hank to cut rates has been I known for some time. The US currency broke through surrounding the dollar, although the reluctance of the central I hank to cut rates has been I known for some time. The US currency broke through surrounding the dollar, although the reluctance of the central I hank to cut rates has been I known for some time. The US currency broke through the reluctance of the central I hank to cut rates has been I known for some time. The US currency broke through the reluctance of the Sund to the general depression of the Sunk to cut rates hank to cut rates have to mercure the sund that the reluctance of

POUND SPOT-FORWARD AGAINST POUND

\$preed Close One month p.s. n

1.4865-1.4775 1.4780-1.4780 0.47-0.44c pm 3.70 1.

2.0447-2.0538 2.0502-2.053 0.07 dis-per c
3.37-3.38s, 0.08-2.10 the per c
3.38s, 0.08p.s. months
3.70 1.65-1.40 pm
0.03 0.01 dis-par
4.44 4-34 pm
2.81 48-37 pm
0.96 29-14 pm
-0.77 0.10-0.30dis
5.51 47-34 pm
-7.98 254-43fdis
-1.16 4-7 dis
2.90 69-59 pm
4.93 267-27 pm
4.93 267-27 pm
4.93 267-27 pm
6.58 37-37 pm
incial franc n/a
onth n/a

DOLLAR SPOT-FORWARD AGAINST DOLLAR

**EXCHANGE CROSS RATES** 

Sep. 17 8 | S | DM | YEN | FFr. | SFr. | H FIS Lice | C\$ | BFr. 1. 1,476 3,983 298.5 9,905 2,480 3,860 2067, 2,055 62,05 0,678 1, 2,088 154.9 6,645 1,640 2,891 1401, 1,895 48,06 0.534 0.495 1. 75.35 5.277 0.609 1.129 560.6 0.687 20.74 4.376 5.457 15.10 1000, 42.91 10.59 14.79 9044, 8.995 271.6 1.020 2.505 2.062 233.0 10. 2.468 1.447 2106 2.096 63.98 0.415 0.610 1.237 94.42 4.062 1. 1.597 853.9 0.849 25.64

**EURO-CURRENCY INTEREST RATES** 

MONEY MARKETS

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Thin uk

in in the

# **FINANCIAL FUTURES**

CHICAGO

Sept 34,87 94,87 94,87 94,87 94,87 94,73 94,73 94,73 94,73 94,73 94,73 94,73 94,73 94,73 94,77 Deo 92,77 Deo 92,77 93,27 S2,27 CERT. DEPOSIT (MMM) Stas points of 100%.

\$2.57 \$2.11 \$3.25

LONDON

Low Prev — 94.30 — 94.28

Low Prev 92.89 93,63 92.75 92.79 93.85 92.87 92.63 92.87 92.64 92.87 92.67 92.12 93.24 92.42

70.9 70.9 71.0

dittle impact, with August housing starts in line with expectations, and compared
itons.

In Paris dealers estimated the
Bank of France sold up to
DM 500m against the Frence
frame. This reflected strong
demand for the D-Mark, range
than pressure on the frame, but
indicates growing nervousness to
within the ERS about the
strength of the West German
currency.

The dollar fell to DM 20275
from DM 20490; to FFF 6.8450
from FFF 6.71; to SFF 1.8555
from SFr. 1.8555; and to T184,75
from Y186,30. On Bank of England figures the dollar's index
fell to 110.2 from 110.8

STEERLING—Trading range
against the dollar in 1886 is
against the dellar in 1886 is
against the dellar in 1886 is
built to start the part of the
West German
currency.

The dollar fell to DM 20275
from Y186,30. On Bank of England figures the dollar's index
fell to 110.2 from 110.8

STEERLING—Trading range
against the dellar in 1886 is
against the dellar in 1886 is
against the dollar in 1886 is
against the dellar in 1886 i

**CURRENCY MOVEMENTS** 

**CURRENCY RATES** - 0.820648 51<sub>2</sub> 1.21021 8.47 4 7.5143 8 51.0576 9 333072

0.588698 1.08162 1.43512 14.7460 48.4436 7.98834 2.08577 2.36506 1448.40 150.691 157.6704 157.6704 157.6704 157.6704 157.6704 157.6704 157.6704 1.6065 1.6064 1.606 OTHER CURRENCIES

Arg'tina 1.5480 1.5585 1.0510 1.0540 Arg'ara 2.3635 2.3675 1.6030 1.6080 Frazi: 20.48 20.41 13.77 13.84 Triband 7.2100 7.9805 4.885 4.6915 Breace 197.44 200.80 134.86 136.50

70.5 70.5 70.5 70.5 70.4 70.4 70.2 **EMS EUROPEAN CURRENCY UNIT RATES** 

# London rates firmer on weak pound

UK clearing bank base lending rate 18 per cent since May 22

in London yesterday as the mar-ket reacted to sterling's fall to a record low against the D-Mark. Weaker oil prices and fading hopes of lower rates in Europe and the US tended to push longer term rates firmer, giving a true yield out to one year for the first time since early January. Three-month interbank money was quoted at 93-10 per cent compared with 943-945 per cent while the one year rate rose to 10-10-15 per cent from 95-10-15 per cent. Overnight interbank money opened at 83-9 per cent and eased to 83 per cent however late balances were taken down to 4 per cent.

The Bank of England forecast a record low against the D-Mark. added £195m and banks' balances brought forward £50m above tar-get. The forecast was revised to a shortage of around £300m and the Bank gave assistance in the morning of £36m through out-right purchases of eligible bank bills in band 4 at 9 H per cent.

down to 4 per cent.

The Bank of England forecast a shortage of around 2250m with factors affecting the market including maintring assistance and a take up of Treasury bills together draining 5325m and the unwinding of pravious sale and repurchase agreements a further 173m. There was also a rise in the note circulation of £105m. These were partly offset by Exchequer transactions which

MONEY RATES

One Two Three Six Lembard Months Months Regular Ov'r-nig't

In the afternoon the Bank gave assistance of 275m through outright purchases of eligible statements by Mr Karl Otto bank bills in band 4 at 915 per cent. Late help came to £180m, making a total of £291m.

In Frankfurt call money was the near future.

FT LONDON INTERBANK FIXING (11.00 a.m. September 17) Three months US dollars

ereliob 20 adra Ricing rates are the arithmetic ans, rounded to the nearest one-ments, of the bid and offered rates \$10m quoted by the market to five

LONDON MONEY RATES

81**9-9**18

Treasury Bills (sell): one month 9% per cent three months 3% per cent. Benk Bills (sell): one month 8% per cent three months 9% per cent. Treasury Bills: Average tender rate at discount 3.6257 per cent. ECSD Flued Finance Subseme IV reference data August 6 to Saptamber 2 (Inclusive): 9.800 per cent. Local Authority and Ficance Houses seven days' notice others seven days' fixed. Finance Houses Base Rate 10 per cent from September 1. 1995. Bank Deposit Rates for sums at seven days' notice 4.354.375 per cent. Certificates of Tax Deposit Garles 6): Deposit £100,000 and over held under and month 10 per cent one-three months 9% per cent three-six months 9% per cent six-nine months 9% per cent mine-12 months 9% per gent. Under £100,000 9% per cent from August 21. Deposits held under Series 5 9% per cent. Daposits with-drawn for cash 6% per cent.

# Volatile trading

STERLING DENOMINATED con- touched a low of 113-10. During STERLING DENOMINATED contracts traded erratically in the afternoon trading became a London International Financial Futures Exchange yesterday. Long gilt prices opened at 114-14 ket and the pound's poor perfor December delivery and rose formance. However towards the briefly to a high of 114-18 on the close, sterling's steadier trend back of a better performance in US markets overnight. However trading became nervous as sterling stepped below DM 3.0 to a record low.

Terristant selling tricered to unchanged from Tuesday.

US bond prices and three-

LIFFE LONG GILT PUTURES OPTIONS

record low.

unchanged from Tuesday.

Persistent selling triggered US bond prices and threestop loss orders and the contract month Euro-dollars finished on a willing to be influenced.

stronger note after US economic statistics released suggested that the economy was not necessarily speeding up its growth rate. News that US housing starts rose 0.4 per cent and that industrial capacity utilisation fell from the pressions mouth tended to under

capacity utilisation fell from the previous month tended to underpin the market and after opening at 94-23, up from 93-31, the December bond contract rose to finish at 95-08.

Euro-dollar prices moved to a closing level of 93-95 from 93.90 on Tuesday. Values may have been boosted temporarily by rumours that today's revision to US second quarter GNP figures would show a sharp down turn

LIFFE US TREASURY BOND FUTURES OFTIOMS

Sept 161.50 161.50 189.50 180.20 180. Close Hagn Low ProSapt 114-07 114-15 113-21 114-05
Dec 114-10 114-18 113-10 114-10
March 114-08 — — 114-05
June 114-08 — — 114-05
Estimated volume 17,072 (15,857)
Pawious day's open int 13,852 (14,004)
Balls quote (clean cash price of 13%
Treasury 2004-08 leas equivalent price of near futures contract) US TREASURY BONDS 8% \$100,000 320ds of 100% Ciose High Low Pr Sept 96-10 96-10 96-26 94-Deo 95-08 95-10 94-12 93-March 94-12 9- 93-Estimated volume 5,396 (5,907) Previous day's open int 5,783 (6,903) Closa High Low Prev 90.04 90.04 90.00 92.79 80.02 92.72 90.04 89.84 90.08 89.82 90.14 89.85 90.06 89.86 90.15 89.72 89.90 89.80 90.06 20.04 89.00 89.80 90.06 20.04 89.00 89.80 90.06 20.04 89.00 89.80 90.06 20.04 89.00 89.80 90.06 20.04 89.00 89.80 90.06 20.04 89.00 89.80 90.06 20.04 89.00 89.80 90.06 20.04 89.00 89.80 90.06 20.04 89.00 89.80 90.06 20.04 89.00 89.80 90.06 20.04 89.00 89.80 90.06 20.04 89.00 89.80 90.06 20.04 89.00 89.80 90.06 20.04 89.00 89.80 90.00 20.04 89.80 90.00 20.04 89.80 90.00 20.04 89.80 90.00 20.04 89.80 90.00 20.04 89.80 90.00 20.05 89.00 20.05 89.80 90.00 20.05 89.80 90.00 20.05 89.80 90.00 20.0 **CURRENCY FUTURES** POUND-S (FOREIGN EXCHANGE) IMM-STERLING Se per E | THREE-MONTH EURODOLLAR | Three-Month Europe |

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Sumitomo Trust International Limited

Bank of Yokohama (Europe) S.A.

¥20,000,000,000 8½ per cent. Japanese Yen Notes due 1993

Issue Price 118 per cent.

The following have agreed to subscribe for the Notes:-

Nomura International Limited

Daiwa Bank (Capital Management) Limited

Sumitomo Trust International Limited

Bank of Yokohama (Europe) S.A.

Application has been made to the Council of The Stock Exchange for the Notes to be admitted to the Official List. The Notes will bear interest from 18th September, 1986 at the rate of 8½ per cent. per annum payable annually in arrear on 18th September in each year, the first such payment to be on 18th September, 1987.

Listing particulars relating to Security Pacific Corporation and the Notes are available in the Extel Statistical Services and copies may be obtained during usual business hours up to and including 23rd September, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 2nd October, 1986 from:

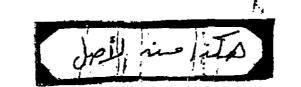
Nontura International Limited, Nomura House, 24 Monument Street, London EC3R8AJ

Kleinwort Grieveson and Co, 20 Fenchurch Street, London EC3P3DB

London WC1V7PB London WC2R 3DF

18th September, 1986

Hoare Govett Ltd., Security Pacific National Bank, Heron House, London Branch, High Holborn, 2 Arundel Street,



ar ber 13 k				
	Financial Times Thursday September 18 1986  INDUSTRIALS—Continued  ISS.  Short Price - Not Cw Ser Pric 1990 Low Stock Price - Not Cw Ser Price 1990 Low Stock Price 1990 Low Stoc	PROPERTYContinued INVESTMENT TRUSTS	Cost 1 FINANCE LAND_Cost. 1 MINES_Continued	39 #   24 -
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15 mm	131   94   Indicates 180   149   15   215 0.8   6.8   18.6   140   125   Example 180   125   140   125	20   13-2 0a (Cap) 25	11.5 ♦   2.4   ♦   58   30	•
1				

## LONDON STOCK EXCHANGE

# Dealings tions Dealings Day Sept 1 Sept 11 Sept 12 Sept 22 Sept 15 Sept 25 Sept 26 Oct 6 Sept 29 Oct 9 Oct 10 Oct 20 "Newting" dealings may the

# Account Dealing Dates Option \*First Declara- Last Account Dealings Day Less volatile day ends with equities Dealings tions Dealings Day higher and Gilts lower

less volatile session in A less volatile session in London markets encouraged investors to hope for more settled trading conditions after six days of prolonged uncertainty and a series of sharp price setbacks. Some ventured the opinion that leading shares were starting to show signs of establishing a new trading basis, which could lead into the first phase of recovery movement.

market. Some longer-dated Gilts regained as much as ‡ of their early losses on a combination of bear-covering and revived investment demand only to turn off again later. In the after-hours' trade, the dull tone continued and selected longs closed a net ‡ down on the day. Conventional shorts and index-linked issues also moved lower but not to the extent of the

NatWest dip and rally

The afternoon amouncement that NatWest had applied for a listing on the New York Stock Exchange and plans to issue 24,150,000 new shares via a pubc offering in the US induced rally in its shares, which eventally ended the session only a enny easier on balance at 534o. after 525p. Other clearers rarely strayed from their overnight levels although Lloyds moved up 3 late to 445p. Elsewhere,

**EQUITY GROUPS** 

& SUB-SECTIONS

res in parentheses show stocks per section

Calesumer group (183) ...
Brewers and Distillers (22) ....
Foot Manufacturing (22) ....
Food Retailing (15) ....

roog retalling (15)

Nealth and Household Products (10)
Letture (20)

Publishing & Printing (14)

Packaging and Paper (15)

Stores (28)

9UPS (24)

Chemicals (23)

Office Equipment (4)

Shipping and Transport (13)

Telephone Networks (2)

Miscellaneous (49)

Electropics (38) ..

Textiles (17)

Oli & Gas (17) .....

Merchant Basis (12)— Property (49)... Other Financial (24).....

sest Trusts (101)

FIXED INTEREST

222.25

132.51

334.52

114.46

Banks (7).

2 5-15 years .

3 Over 15 years

5 All stocks ...

7 Over 5 years.

8 All stacts...

6 5 years

Brown Shipley softened 5 to 500p following confirmation that COFI SA, an investment holding company registered in Luxen-bourg, had acquired a 10.75 per hourg, had acquired a 10.75 per cent stake in the merchant bank. Lloyds broker Minet reflected the disappointing interim figures with a fall of 16 to 232p, but Stewart Wrightson improved 5 at 430p following comment on the half-year results. In Life issues, profit-taking in the wake of the higher first-half profits left Legal and General 8 lower at 255p. Composites staged a modest technical rally with Royals 5 dearer at 242p and GRE the same amount up at 815p.

were starting to show signs of the establishing a new trading basis, which could lead into the first phase of recovery movement.

Although sentiment continued to be influenced by Wall Street, the effects were less noticeable than on recent occasions. The Bow Jones index rebound late on Tuesday gave dealers cause to mark blue chip issues higher at the opening, but the move was overdone. Potential buyers held fire and prices gradually reverted to their overnight positions.

The reaction was blamed on the West German resistance to US pressure for a cut in interest rates, although this was known before dealings commenced. For a time business stagnated but in the early afternoon a few instinctional operators began picking up stock and the tone improved. The continuing erratic behaviour of the US market early yesterday failed to dampen spirits and the FT indices headed higher. They stopped short of their enhanced opening levels but the FT Ordinary ahare index still closed 13.0 higher at 1275.2. The broaderbased FT-SE 100 share index made at 1275.2. The broaderbased FT-SE 100 share index made at 1275.2. The broaderbased FT-SE 100 share index for a reduction in UK base rates even more remote and gitteded securities weakened further. Sterling's fall against the D-Mark, it went below 3.00 for the first time, also unsettled and longer Gitts fell over a point before rallying. Selling was fairly persistent during the morning but it ceased abruptly following a brighter start early yesterday in the US bond market.

Some longer-dated Gilts regained as much as § of their services as a such as § of their services as a suc

ICI, reflecting a firmer opening by the stock on Wall Street, closed † higher at £10‡. Elsewhere in the Chemical sector, Laporte added a few pence to 388p awaiting today's half-timer, while Croda Intersational improved 3 to 151p on second thoughts about the interim figures.

Church and Co featured Stores with a leap of 85 to a peak of 440p on the announcement that Ward White had acquired a 5.2 per cent stake in the company. Lineroft Kilgour rose 8 to 225p on revived speculative support and W. H. Smith "A" gained 6 at 272p. Ratners improved a few pence to 227p, after 228p, in helated response to Press comment, but Goldsmiths came on offer at 228p, down 6. Term plumineted 9 to 35p on the Corton Beach

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FINANCIAL TIMES STOCK INDICES											
	Sept	Sept	Sept	Seet	Sect	-	19	86	Since Co	apilatios	
	לנ	¥	15	12	11	MD.	High	Low	High ·	Low	
Government Seps	65.45	<b>85.86</b>	86.74	86.74	87.01	63,25	94.51 (184)	80.39	327.A (9/1/35)	49.18 (3/1/75)	
Fixed laterest	92.19	92.76	93.05	95.16	94.00	85.56	97.68	86.55	105.4	50.53	
Ordinary #	1,275.2	1,2622	1,299.6	1,270.9	1,298.2	3,000.8	1,425.9	(23/1) 1,094.3	1,425.9	(3/1/75) 49,4	
Gold Mines	316.6	317.9	5122	31AB	291 A	336A	(1)41) 357.0	185.7	(34/86) 7 <b>34.</b> 7	(26640) 43.5	
Ord, Dis. Yield	4.35	4.40	432	437	4.28	4.75	(27/1)	(1877) S.E. AC	TIVITY	(26/10/71)	
Earnings Yid %(fell)	10.02	10.14	9.94B	10.07	9.84	11.66		lces	Sept. 16	Sept. 15	
P/E Ratio (set) (*)	12.24	12.09	12.34	12.18	12.46	10.62	Gilk Edged	Baroules	123.3 124.8	1133	
Total Bargains (Est)	20,348	21,590	23,927	22,678	21,468	20,598	Equity Bary	ـــــــــــــــــــــــــــــــــــــ	1248	1481	
Equity Turnover &m	_	594,79	600.60	879.41	644.05	373.34	Equity Value 5-Day Ave		1080.9	1214.0	
Equity Bargains		19,263	22,861	30,502	22.834	17,057	Gilt Edged		113.9	1144	
Shares Traded (mil)	_	222.4	253.5	351.1	290.8	200.2	Equity Bary Equity Valo		152.5 1326.8	157.5 1326.6	
	10 a.m. 1270.8		a.m. 6.4	Noon 1266.5		р.т.	2 p.m 1269.	3 3	p.m. 271.4	4 p.m. 1272.3	
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Day's High 127		ay's Low	-					A		_	
Basis 100 Gove	Sec. 15.	uza, Fize	o sas. 192	, urdinary	אמוע, 6		12755, SE	Activity 197	4 711-11.	<u> </u>	
	LOKBO)	REPOR	T AMP	LATEST	SHARE	INDEX:	TEL_ 01-1	M6 8026			

bid situation. Among the leaders, Woolworth touched 700p following news of the doubled interim profits of over £25m, but later reacted to close only 10 higher on balance at 675p; the shares have been particularly nervous of late amid suggestions that Dixons was on the verge of selling its stake in the company at 600p per share. Dixons hardened a couple of pence to 370p, after 360p, and Leading Electricals rarely strayed far from previous clos-ing levels. Elsewhere, G. M. Scholes advanced to 615p on sendes advanced to 615p on the interim figures and proposed one-for-one scrip issues before settling only 5 better on the day at 605p. Expansion hopes prompted revived demand for Burgess Preducts which gained 17 to 263p, while a revival of theorem speculation, caused a

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Sept Sept Year 11 10 app 1436.5 1663.5 1294.8

1634 1629 1.97 1.97

10.56 10.85 18.88

19.93 | 19.92 | 12.15

4.75 1.85 1.87 1.86 1.96 19.86 10.86

19.95 19.95

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1.99 10.22 10.23 10.22 10.22 10.22 10.29 10.29 10.39 9.86

11.65

Year ago ago

hele: No.

United Bisentis were marked up to 244p following the interim results, but drifted back in the absence of follow-through support to close unchanged at 255p. Other leading Food issues traded quietly, but usually managed modest progress. Cadbury Schwerpes added 3 to 174p, as did Tate and Lyle, at 613p. Tesco revived with an improvement of 8 at 410p, while Bejam, helped by a broker's recommendation, hardened a penny to 153p. Elsewhere, Home Farm rose 10 to 110p awaiting today's annual results, but M6 Cesh and Carry, after touching 96p on the increased interim profits, eased back to close 3 cheaper on balance at 90p.

US support and a revival of bid rumours prompted a late spurt in Grand Metropolitan which closed 13 higher at 466p. Trustheuse Forte revived with a gain of 5 at 145p and Ladbroke rose 8 to 353p.

Helped by an initial steadier performance on Wall Street, international stocks made headway, with Glazo prominent at 870p, up 35. Beecham put on 7 to 400p. Reckitt and Coleman, reflecting interim results at the lower end of market estimates, closed 5 cheaper at 804p. Elsewhere, bumper half-year figures prompted a sharp advance in

penied a rise of 10 to 68p in Trust of Property found support continued its revival with a fresh gain of 10 to 43p, while Pentland Industries also staged a rally at 440p, up 15. Briden fell away to 140p on the poor interim results before rallying to close and Dawson International added only 4 cheaper at 150p. Fresh speculative activity lifted Gesteiner 6 to 116p. Dealings ments. Toray reflected Far resumed in Peck Holdings following the re-organisation at 240p. Burnatez improved 5 to 240p awaiting bid developments. Toray reflected Far resumed in Peck Holdings following the re-organisation at 280p.

Tinate of Property found support Trust of Fresh speculative were inclined harder in places. Courtanids edged forward a couple of pence to 279p awaiting bid developments. Toray reflected Far Eastern influences with a decline of 30 at 280p.

Financial Trusts displayed no retired after a moderate business. Agyle Trust, which had been provided that the first provided that the pro

SelectTV revived with a gain or 2 at 16p.

Jagmar were the outstanding performer in the Motors sector, the shares attracting persistent and often sizeable American support prior to closing 13 higher at 513p. News of the 74 percent jump in preliminary profits and the sharply increased final dividend falled to inspire Armstrong Equipment which settled a net 2 easier at 120p. after 126p.

United Newspapers fell 10 to 360p; the interim results are scheduled for next Thursday. Among Papers, Cloudalkin jumped 30 to 400p in response to the increased interim profits. Bemrose held at 168p despite the strong interim profits recovery. The Property majors took a modest turn for the better, Land Securities edged up a couple of pence to 312p and MEPC added 3 to 315p. Elsewhere, Grainger Trust found support following Tuesday's land deal and rose 20 to 480p, after 485p, while Imry moved up 10 to 370p awaiting the outcome of bid falks. Tops Estates, boosted by a newsletter a director had increased his hold-ing, gained 25 to 285p in a re-stricted market; the 7½ per cent Convertible rose 100 points to 8530. Parkelse, a dull market on Tuesday reflecting fading bid hopes, attracted revived demand and firmed 3 to 76p, but A. and J. Mucklow shed a penny to 98p following the annual results. Trust of Property found support

**NEW HIGHS AND LOWS FOR 1986** 

NEW LOWS (26)
BRITISM FURDS (7) Exch. 14pc 1988, Treas. 3pc 1991, Conv. 14pc 1988, Conv. 9pc 2000, Conv. Papc 2008, Treas. 8pc 2007, Treas. 8pc 2008, AMERICANS (1) BASDK. BUILDINGS (1) Lilley (F. J. C.). STORES (1) Goodman Bres. ELECTRICALS (3) Blick, Dubiller, IBL. HOTELS (1) Savoy Hotel A. INDUSTRIALS (4) Airsprung, Brammer, Mitchell Cotts, Notson. INSURANCE (2) Sadgwick, Steel Burrill Jones. LEISURE (1) Scarro. PAPER (3) Clondalkin, Klearfold Inc., Satchi & Sasch B.3pc Currel, TRUSTS (1) Pacific Assets Trust Ser. 1 Warrants. OILS (1) Floyd Oil. NEW HIGHS (27) NEW HIGHS (27)
BREWERS (1) Belaven Brewery.
BLECTRICALS (2) Alphameric. UEL.
FOCOS (1) Home Farm. INDUSTRIALS
(8) Astra AB, Dinkle Heel, Hewiti (J.),
Johnson Matthey, Myson, Rolls and
Nelsn. PROPERTY (5) Greinger Trust,
Tape Estates, Do. 7-pc Conv. 2014,
Trust of Property. Wereldhave. STORES
(1) Church. TEXTILES (4) Seales (J.),
Burnares, Lowe (Robert H.), Lyles (5.) (1) Courte. Cowe (Robert H.). Lyles (S.).
TRUSTS (1) Brint Invests. MIRES (6)
Eastern Transvaal Cons.. Walkom,
Anglo American Corpn., Central Kaigoorile, Enterprise Gold. Whim Creek.

BASE LENG	ING RATES
3	
ADVDL M	%
ABN Bank 19 Allied Arab Bank Ltd 19	Equatorial Tet Corp. pic 19
Allied Dunber & Co 19	Brater Trust Ltd. 1944 Pinancial & Gen. Sec. 19
Allied Irish Benk 19	First Nat. Fin. Corp 11
American Express Bk 10	First Nat. Sec. Ltd
Amro Bank 19	Robert Fleming & Co 19
Henry Anshucher 19	Robert Fraser & Ptrs 11
ANZ Banking Group 10	Grindlaya Bank
Associates Cap Corp 19	• Guinness Mahon 10
Banco de Bilbao 19	Hambros Rank 18     Heritable & Gen. Trust 18
Bank Hapcalim 14	Mericanie & Gen Trust 15
Bank Leumi (UK) 19	• Hill Sampel
Bank Credit & Comm 10	C. Hoare & Co
Bank of Cyprus 10 Bank of Ireland 10	Knowsiey & Co. Lid 19%
Bank of India 18	Lloyds Bank 1971
Bank of Scotland 19	Mase Westpec Ltd
Banque Belge Ltd 19	Meghraj & Sons Ltd
Berclays Bank	Midland Benk
Benchmark Trust Ltd 19	Morgan Grenfell     18
Beneficial Trust Ltd 11	Mount Credit Corp. Ltd 19
Berliner Bank AG 16	National Bk. of Kuwait 16
Brit. Bk. of Mid. East 18	National Girobank
a Brown Shipley 10	National Westminster 10
e Brown Shipley 19 CL Bank Nederland 19	Northern Bank Ltd 19
Canada Permanent	Norwich Gen. Trust 19
Cayzer Ltd	PK Finans, Intl (UK) 1014
Cedar Holdings 11  Charterhouse Bank 18	Provincial Trust Ltd 11
Charterhouse Bank	R. Rephael & Sons 19
Citibank NA 19	Roxburghe Guarantee 11
Citibank Savines 118.95	Royal Bank of Scotland 16
City Merchants Bank 19	Royal Trust Co. Canada 19
Clydesdale Bank 18	Standard Chartered
Comm. Bk. N. East 10	Trustee Savings Bank 10
Consolidated Credita 10	UDT Mortgage Express 718.9
Continental Trust Ltd 19	United Bank of Ruwait 19
Co-operative Bank *19 The Cyprus Popular Bk 19	United Misrahl Bank 19
The Cyprus Popular Bk 10	Westpac Benking Corp 19
Doncan Lawrie	Whitesway Laidlaw 181/2 Yorkshire Bank 19
E. T. Trust 11	
Members of the Accepting Houses (	Committee. * 7-day deposits 5-89%. 1-
month 6.07%. Top Tier-42,500+ a	13 months' notice 9.72%. At call when
£10,000+ remains deposited. 2 Call	deposits £1,000 and over 64% gross.
ј у могореде пере така. У рекал	nd deposit 5.82%. Mortgage 11%,

the latter part of the day and the leaders picked up to close little changed on balance. IC Gas

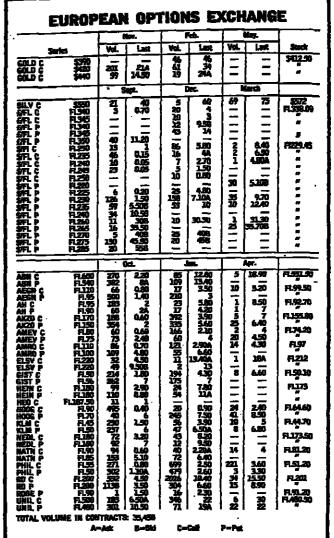
Titaghur Jute, an outstanding narket of late following public-ty given to Gauri Shanker's recently acquired stake in the company, jumped a further 60

A number of 'Day 'recommentations, emanating from the Centenary Gold Conference currently being held in Johannesburg failed to encourage any significant demand, with the notable exception of Western Deep which rose 1 to £271. Among the leading issues Randfontein, fell £11 to £531. The Gold Mines index gave up 1.3 to \$16.6.

South African Financials held up well, "Amesal" continued to attract good support following the EEC's failure to implement its ban on imports of South African coal and the shares moved up 25 more to 575p for a two-day gain of 75. Anglo American Corporation hardened to £10). Geneor rose 38 to 975p on news of the acquisition of a 48.5 per cent stake in South African indestrial group Malcor from Sanlam and Sankorp in exchange for 1.98m new shares in Geneor; Sanlam and Sankorp intend to swap the Geneor shares for 2.2m shares in Geneor's parent Federale Mynbou.

The mixed Press reception

profits. A subdued session in the Traded Option market saw only 19.827 deals done, comprising 11.980 calls and 6.847 puts, figures well down on the previous day's total of 28.706 and last Friday's record 37.544. Hausen Trust attracted 1,210 calls and 38 puts, while the FT-SE 100 accounted for 991 calls and 1,182 puts.



#### TRADITIONAL OPTIONS

British Syphen, Pavien, Circa-print, Rockware, Bentalls, Bronx Engineering, Richardons West-garth, Polly Pock and Wellcome. No puts were reported, but double options were transacted Call options were taken out in Barker and Dobson, Britannia

#### YESTERDAY'S ACTIVE STOCKS

. Above average a	w Clesing	nes noted Day's	in the following stocks	resterda) Closing	Day
Stock		change	Stock .	grice `	chang
Amstred	454		Dixons Group	· 370	+ 2 + 13
Ashley (Laure)	194	`	Grand Metropolitan	408	+ 13
Boots	221	+ 2	1Cl	£105	+ 0
British Asrospace	448	_	Jaguer	613	· +13
Burton mention	449 302	+ 4	Marks and Spancer	206	+ 1
Commercial Union	285	<u> </u>	Smith (W. H.) A	272	+6

	UES	DAT	3 A	CIIAE :	21 OCL	72	
Stock Glaxo BAT Inda BTR BP Fisons Beecham	Na. of changes 21 20 17 16 16	Tues.	Day's change	Stock Stock Delgety Pridential RTZ Wellcome 1C1 Shell Trans	No. of changes	Tues.	Day's chang
Ris	ES .	AND	FAL	LS YE	STERE	AY	
i							_

Falls 107 36 299 183 27 2 45 86 497 765 1,532

LONDON TRADED OPTIONS																
			CALLS	:		PUTS					Π	CALLS			PUTS	
Option	-	Oct.	Jan.	Apr.	Oct.	Jan.	Apr.		<b>Con</b>		Nos.	Feb.	May	Nov.	Æ	likky
Allied Lydes (*3350	20 20 20	40 16 8	50 50 18	经 40 30	10 30	5 18 38	10 25	Mistani (*574)	Sk.	888	87 47 20	102 65 30	1377 Q	2 12 35	7 班 40	ING.
B.P.	600 650 700	282	25 25 26	109 72 45	20 20 20 20	16 55 65	25 50 77	P. & 0 (*528)	•	500 500 600	33 10 2	祖 23	62 35	22元	188	20
Com. Gold (*550)	420 460 500	120 80 45	130 92 60	140 107 82	2 3 12	44 <sub>2</sub> 35 30	9 20 37	Racal (*174)		160 180 200	20 8 4	26 14 9	34 22 12	11 25	8228	30 17
Courtmits (*27%	250 250 250 300	24 13	37 25	52 46 34 21	40 12 25	8 17 29	11 20 25	RTZ.		530 600 650 700	2015	72 43 28 15	322	17 40 70 120	25 34 122	62 92
Com. Unine. (*284)	280 300 300 330	72 5	22 13	29 20	10 25 25	14 27	37	Vani Ro. (*\$83)	ės .	70 80 90	177 <sub>2</sub> 107 <sub>2</sub> 5	201 <sub>2</sub> 14	23°2 17	392 692 1092	10 82	59 <sub>2</sub>
Cable & Wire (*902)	300 300 350 350	172	37 22	12 30 30	2	53 17 33	54 22 37	Tr. 1194% (*E105)	•	154 168 108	150	14	滤	01, 12, 32	- Z.	74. 44.
Distillers (*720)	600 650 700	25 90 40	= 30	20	50 1½ 4	=	<del>1</del>	(45715) (45715)	907	光光	95KW	3621113	認	200	拉蓝	4436
6 F.C. (*172)	166 180 200	19 7	28 16 5	34 20	13	7 14	ng Ti		tion.		Sep	Dec	Mar	Sep	Dec	Mar
Grand Met. (*398)	360 362 390	2 28	50 40	48	7	5 -	8 =	Beache: (*400)		名名名	42 13 3	57 22 13	64 30 14 30 14	12 4 22 22	6 40 72	19 22 5 77
(C)	#20 #20 #20 #20 #20 #20	70	97 65	37	30 15	2	25 40 32 50	Beets (*22))		200 220 240	22 4 1	28 18 11	37	1 5 29	3 13 26	6 15 28
Land Sec.	1100 300	35 15 19	37 27 15	72 50 35 22	37 62	8 2	# #	817R (*295)		300 300 307	20 -4	35 76	<b>49</b> 33	2  18	13 25	20 30 —
Marks & Spec. (*206)	350 369 180 200	27 11	34 18	10 40 74	<u>1</u>	2 8	4	(4740) (4740)		200	43 8 3	MMG	80 48 90	1 <sup>3</sup> 2 20 67	8 25 70	20 47 73
Shell Trans.	220 850 900	29 <sub>7</sub>	30 90	34	16 20 45	25	25 40 75	Bins Circ (*545)		500 550 600	50 8 1	65 32 17	78 47 27	n n	8 28 55	13 25 25
(*860) Training House	950 260	12 26	35 35	50 52 59	80	57 95	199	De Beer (*\$770)	•	100 700 700 100	125 20 20 4	3888	1283	448	22 37 55 90	交換を
C*277) Quites	220 300	23 5	20 10	27 38	22 24	21 23	3	Dinom (*570)		330 360 350	42 16 2	52 52 50	388	50 1	90 4 19 28	8
	200		31	77	6	11	<u> </u>			_	<del></del> -	14		22		
(*2340)	718 220 276 240	7	21 12	20	r B	21 21	2	(*265)		250 280 390 390	2202	14	ध्यक	n K	12 30 30	NO SE
	100	<u> </u>			ニ	-	37	Glam) (*156)		900	5	115		4		1
Option Brit. Aero (~44g)	460 900	23 10°,	Feb. 48 27	12 miles	14 A S		40 72			7700 7020 7020 7020 7020	35 3 2	98 45 30	<b>验</b>		e dinger	万 近 135
BÁT leit (*95)	390 420 460	62 37	12 17 57 21	22 23 25	165 4 127	9 2 3	15 25 40	(*192)		136 150 160 180	59 44 54 14	9813	1982	1		1 42
Barthus (*496	440 500 500	45 25	20 27 20	72 22 25	7 23 60	双双	17 40	Jagrar (*513)		200 460 500	2 53 16	13	19 57 69	10 20 2	15	26 23
Brit. Tolecom (*356)	180 280	7,	22 14	28 19	6	12 24	# # 25	There El		83	2 2	24 12	37 22	40 90	248	27 48 95
Callery Schwerze	220 140 190	252 36 3	7 25 19 7	19 20 27	34 12 30	5 16 52	38 16 19	(~83)		2255 5	8037	10 12 12 12 12 12 12 12 12 12 12 12 12 12	999714 14	1 27 77	14 27	9 17 35 77
Calment (*325)	200 500 530 340	40 18 7	7 90 12	ー 第 25	30 4 13 55	2 120	15 23 42	(~400) (~400)		350 570 427	30 20 5	40	75 50 50	1 3 15	6 19 27	9 18 33
impartal Gr. (*993)	360 390 390	7 95 65 37	12 	23	15 12 12 7	=	=	Option F7-SE		Sept.		Mox. D	fs.   \$4	pt Od	lic	Dec.
Ladicales (*253)	350 350 350 390	37 27 23 5	2 2 3 10	50 33 18	7" 3 17 40	7 23 45	12	(*1605)	150 150 160 160 160 160 160 160 160 160 160 16	48 30 14 8 4	RSC PORT	97254557B		4 11 26 30 30 50 50 50 10		40
LASMO (*310)	强盟	15	10 25 18	25	8 16 23	II .	48	September	娆	1	12 8	27 18				
	場	18	13	16	2	18	22 30	- coperation	(	- CO	mpapie macs	16,827. Post	Calls Pilos	11,990.	Pets	<b>347.</b>

· Van

#Copuning laster 14,09.0; 10 am 1604.0; 11 am 1599.2; More 1598.0; 1 pm 1598.6; 2 pm 1601.9; 3 pm 1605.6; 9.30 pm 1603.0; 4 pm 1605.2

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Toes Sept 16

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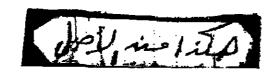
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STOCKS

STERM



# WORLD STOCK MARKETS

AUSTRIA	GERMANY	NORWAY	Price ! + or	AUSTRALIA (continued) : Price, +	or   Price   + or	CANADA
Sept. 17 Price + or Sch Credit'nst'it pp - 2,300	AEGAllianz Vera	Price + or Sept. 17 Om Bergens Bani 309 - 5 Sorregaa d - 2,328 - 67 Christiana Be	172,5 +2,5 G	artonen Epermy 197	Sept. 17 Yen —  MHI 603 +18 0.06 Mitsui Bank	Subse Starck High Law Close Chang   Subse Starck High Law Close Chang   Subse Starck High Law Close Chang   Subse Starck High Law Class Chang
Interunfall	Bayer-Hypo Bayer-Voroin	274,56,5 DenNorske Ct 2955 Elkem 57413 Kosmos Kyserner	173.5 -1.5 H 114 -1 148 +0.5 H 177 +1.5 J	orald WyTimes 6.12 2.49 4.00 4.00 4.00 4.00 4.00 4.00 4.00 4	0.92 Mitsui Ea (c	000 Computing \$5\mathbb{\mathba\\\\and\angta\mathba{\mathbb{\mathba\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
Veitschar Mag10,200; —40 BELGIUM/LUXEMBOURG	BHF.Bank	598 —14 Norsk Data Norsk Hydro.	268 -6	idaton Gold 7.75 -C	0.84 Nippon Denso1,500 - +40 0.82 Nippon Elect1,930 - +50 0.15 Nippon Express1,70 +50 Nippon Cakki1,880 - 20	2200 Conwell B S612 652 653 4004 Michael H X S165, 165 165 165 165 201 201 -13
Sept. 17 Price + or Frs.	D'sche Bebcock	1 225 - 38   SPAIN 472.5 - 5.5 200   -4.5 769.5 - 10.5   Sept. 17	Price   + or N	at. Aust. Bank., 6,36	1,14 Rippon Kotato 286 +8 Rippon Kotan 286 +8 Rippon Kotan 286 +8 Rippon Kotan 286 +8 Rippon Kotan 286 +8	200 Author 300 400 400 1 C Felcon C 517ty 17ty 17ty 12th 13007 Macmillan 8354, 34ty 35t, 4th 8450 Thorn N A 5285, 27t, 28th 4th 15 5234 25th 2100 Cosala R 82 90 90 -2 65500 Magna A t 5304, 30 30 -th 15842 Ter Drn Bk 5234, 20th 2th 15851 Agrico E 5374, 31ty 31ty 31ty 31ty 31ty 31ty 31ty 31ty
Bang, Gen, Lux. 16,250 Bang, Int.A.Luc. 15,150 Bang, I	Presdner Bank Feld-Muchic Abi Kenkel	418 -0.2   Boo Bilbac   Boo Control   Boo Co	1,950 O	actic Dunlop 3.5 -0 ancontinental 9.75 -0 longer Cons 2.55 -0	0.65 Nippon Steel 207 ) —3 0.65 Nippon Sulsan 465 +4 0.67 Nippon Yusan 498 +3	40748 Aloni 540; 403 +12 2200 Czzr Res 140 140 140 160 1600 MRel Corp 56 6 533 Traders A f 545 45 45 -12 1801 Asomers 513 13 13 -12 4 TCCen R A 107 107 107 107 11800 Asomers 513 9 9 1 2200 Debison B f 565 6 6 -14 3391 Molson A f 5259 25 259 +2 268 Tras Net 5449 140; 140 +14
Electronei 74 095i	Houseka	261 -8.4 See H spane. 148.8 -2.8 See Popular. 655 -5 See Santande 558 -95 See Vizeaya Dregadea 497 -8 Hidrola 160 See See See See See See See See See Se	1,305	tacer Pacific   2.72  ( cseigen	0.85 Nomura	2514 BG SEGRET A SCILL 274 274 7507 Dickman A 7 854 95 95 - 6 1 10850 Moore 531 205 505 195 19 91404 TrCan PL 5174 164 17 - 6 8001 BGR A 505 95 95 50 150 Mourey 5105 195 195 195 195 195 200 200 200 200 200 200 200 200 200 20
Generale Bank 6,120;	KHD	076	116 +1 84 166.5 -1.5 84 346.5 -8.0 190.5, -1.9 Ti	epco	0.1 Orient Leasing 3.350100 Pioneer	7046 Bit SCol 285 275 285 +5  1022 Dominator 51112 109 129 239 239 199 -1 4  220 Bit Month 53112 3114 3114 3114 118 +1 500 Delay Part 5112 109 129 129 129 129 129 129 129 129 129 12
Hoboken 7,900 Intercom 5,790 Kradietbank 17,500 Par Holding 11,200 -50	LindeLufthansa	77 -1.1 766 -7 189 +1 830 -10 178.5 -1.5 1,105 -44	Vi W	estern Mining 4,15 -0	1.50 Sanwa Bank	202100 Bratome 150 140 150   \$2722 Ecto Bay \$30 291 <sub>2</sub> 291 <sub>2</sub> -3 <sub>4</sub>   \$600 Northgat \$53 <sub>4</sub> 357 <sub>2</sub> 358 <sub>4</sub>   10700 Versil 8 170 160 160 -10 350 Branslee \$213 <sub>4</sub> 213 <sub>4</sub> -1 <sub>5</sub> 7175 Equity Ser \$60 <sub>2</sub> 01 <sub>5</sub> -1 <sub>4</sub> 3602 Northgat \$53 <sub>4</sub> 55 <sub>4</sub> 57 <sub>6</sub> 1200 Versil 8 170 160 160 -10 5780 Branslee \$213 <sub>4</sub> 213 <sub>4</sub> -1 <sub>5</sub> 7175 Equity Ser \$60 <sub>2</sub> 01 <sub>5</sub> -1 <sub>4</sub> 3602 Northgat \$53 <sub>4</sub> 5 51 <sub>5</sub> 570 Versil 8 170 Sig 5 5 54 1200 PCA ind \$187 <sub>4</sub> 185 185 185 185 185 185 185 185 185 185
Petrolina 9,200 +170 Royale Beige 77,800 -20 Soc. Gen. Beige 7,060 -70 Solina 11,400 +300 Solvay 5,000 +300	Muench Rueck Nodorf Poreche	2,580 —30 —30 575 —7 Afg—Layei B.	Kroner ~ W	codulde Petrol. 1.00   +0 coducted   5.16   +0 commid Intl	Shicold	SSU   Bransales   \$2714   214   274   -16   7173   Equity Str   \$50   616   -14   38042   Next AllA   \$50   5   5   5   5   5   5   5   5   5
\$tanwick inti		209 4 ASEA (Free) - 601 -5 Astra (Free) - 6380 +0.5 Astra (Free) - 613 -5 Cellulosa - 628 - 628 -628 -628 -628 -628 -628 -6	520xc	Sept. 17 Price +	S'tomo Chem. ( 388 + 5 8'tomo Corp ( 971 - 29	Summark   5135   135
DENMARK Sept. 17 Price + or Knr %	Varia	165 - 3.6 Electrolux 8. 350 - 5 Ericseon 8 161 - 4 Mo och Doma 476 - Mo och Doma 476 - Marmada 508 - 14.9 Sanbšeania F	150x0	ank East Asia 17.6	Taise Corp	SSO CIL   S25°6 25 25 25 - 18   1256 Gamdis A   S15°2 1814   1254 - 38   1256 Gamdis A   S15°2 1814   125°4 1814
	ITALY	Skandia SKF	800 B	K China Gas 18.1 ! K Electric 9,65;0 K Kowloon Wh 7,5   +0	1,950 + 120 TDK	3731 C Nor West \$1514, 15 154 + 14 88300 Hees hit \$378, 31 314 + 12 2200 Ranger \$55 56 55 - 14 Closing prices September 16 1150 C Packers \$155, 154 14 4 5 5 H Bay Co 527 259, 264 - 14 1550 C Closing prices September 16 1150 C Packers \$575, 535, 537 1512 H Bay Co 527 259, 264 - 14 1700 Redpoint \$25 269, 269, 269 - 15 12 H Bay Co 527 259, 269, 1700 Redpoint \$25 253 - 5 15 12 H Bay Co 527 259, 269, 1700 Redpoint \$25 253 - 5 15 12 H Bay Co 527 259, 269, 1700 Redpoint \$25 253 - 5 15 12 H Bay Co 527 259, 269, 1700 Redpoint \$25 253 - 5 15 12 H Bay Co 527 259, 269, 1700 Redpoint \$25 253 - 5 15 12 H Bay Co 527 259, 269, 1700 Redpoint \$25 253 - 5 15 12 H Bay Co 527 259, 269, 1700 Redpoint \$25 253 - 5 15 12 H Bay Co 527 259, 269, 1700 Redpoint \$25 253 - 5 15 12 H Bay Co 527 259, 269, 1700 Redpoint \$25 253 - 5 15 12 H Bay Co 527 259, 269, 1700 Redpoint \$25 253 - 5 15 12 H Bay Co 527 259, 269, 1700 Redpoint \$25 253 - 5 15 12 H Bay Co 527 259, 269, 1700 Redpoint \$25 253 - 5 15 15 15 15 15 15 15 15 15 15 15 15 1
Oanske Bank 276 + 3 De Danske Luft 1970 + 150 East Aslatic 197 -1 Forenede Brygg. 1.010	Sept. 17  Banco Com'ie S Bastogi-IRBS	Price i + or StoraKoppart Swediah Matura Volvo B (Free)	رزز و سيراطنخسسيوس	K Land	D.88 Tokyo Elect Pwr. 5,250 +80 Tokyo Gez 942 +42 Tokyo Corp 11,250 +70	
UNITRIGUES	Flet	3,950	Price + or Sv Frs Th	ik Propa	70yo Selkan 2,000 —190 Toyota Motor 1,780 +40	1800   C   Cociental   S2014   2014
LS.3.B. 646 +5 Jyske Bank. 505 +10 Novo Inds* 226 -3 Privatbanken 247 +1 Provinsbanken 325 Smidth (F.L.) 8. 286 +3 Sophus Berand. 795 +6 Superfos. 147 +2	Italoementi	54,440 - 1,865 6,800 - 856 1,165 - 50 3,860 + 5 7,450 - 500 5,820 + 4 do. (Part Co	7,300;150 W( 680;5 3,750; +85	orig int Hidge 2.67, -0	1.85 Victor 2,700 +160 1.55 Vamaha 44 +4 Yamaha 564 +4 Yamaha 5070 +40 Yamazaki 1,200 -60 Yawazaki 390 -30	10/15 Carma A 18 18 18 18 2 800 Ivano A 1 27 27 27 27 27 27 27 28 27 28 27 28 28 28 28 28 28 28 28 28 28 28 28 28
FRANCE	Pirelli Go	4,770 + 10 Credit Suisse. 5,220 —195 Elektrowatt.	3,325 -50 -	Sept. 17 Price + C	SINGAPORE	\$500 Centifed A \$65, 67, 66, -16 1 Renr Add \$160, 160, 160, 160, 160, 160, 160, 160,
Sept. 17   Price   + or   Frs.   -	NETHERLANDS	Hoff-Roche Pi Hoff-Roche I Hoff-Roche I Jemolia Jemolia Landis & Gyr Nestle Price   + or   Cer-Bushrie	10_10_925 —150 All	Nippon Air	6 Boustead Hidgs 1,18 +0.51	Indices
Accor 455 +4.5 Air Liquida 720 +4 BIC 613 +3 Bongrein 1,941 +42	ACF Hoksing	Fis Pirel II	11,000 -100 G	other inds 550 ;1; inon 950 ;1; isio Qomp1,280 +10	1 Genting 4.82	NEW YORK-BOW JORES : Sept.   S
Sell Gerveis	AMEV	92.7 -0.4 Sika Surveiliance A	1,625 +25 Da 7,500 -200 Da 1,570 -11 Da	Ngai Pharm	0 Malay Banking 4.1 -0.82 6 Malay Utd. Ind 1.44 9 Muiti Purpose 0.45 10 OCBC	Supt   Sept   Supt
Damart	Bos Kalis Westm. Rushrmann Tet	74.9 — 0.8 Swiss Bank 97.0 — 0.8 Swiss Reinsoe 143.5 + 1.6 Swiss Volketk 13.5 — 0.5 Union Bank 19.6 — 2 Winterthur Ini 2 Zurich Ins.	5,750 -50 Fu 6,600 -100 Fu 7,600 -150 Fu	UI Benk	Public Bank	Transport 749.75 739.25 740.75 749.96 752.63 839.84 696.57 638.84 12.32 Creditbk Aktien(50:12/94] 259.55 258.02 257.55 250.57/264.84 (25.4) 226.56 (5/5) 821.64 (25.4) 821.730
Easilor	Fokker	19.6 Zurich im 188.8 + 1.8 12.2 - 3 67 - 1.5 50.1 - 0.5 173 + 1.5	Fu Fj Gn Ke	rukawa Elect. 550 +5 een Cross	*** UOB 4,02 1	Utilities 201.14" 189.53 288.21 200.21 282.24 211.55 278.75 181.47 218.55 189.5 Brussel SE (1/1/84) 28828.88 8556.55 8988.06 8894.44 4684.55 (9.3) 2768.91 (15/1) DENMARK Copenhagen SE (4/1/85) (u.) 1 196.54 185.65 250.76 (18/4) 185.65 250.76 (18/4) 185.65 (5/3)
Matra S.A 2.307   +2	Hoogevens	64.6 +0.1 56.4 -1.1 78.6 -0.7 44.7 +0.5 67 -1.1 Adalaida Steal	3.65 — Ho	2261 Gredit	Sept. 17 Rand —  Abercom 2.80 +0.85	Supt 12   Supt 5   Aug 22   Year Age (Approx)   Supt 12   Supt 5   Aug 22   Year Age (Approx)   Ind Tendance (\$1/12/82)   146.2   146.5   146.5   146.5   146.5   146.5   161.5 (2/1)
Midi (Cle)	Nat Ned Cert	81.2 -0.6 ANZ Group	- 5.08 -0.1 hts - 2.2 - hts - 1.85 +0.55 dal - 3.1 -0.1 Jun	Yokado 840 -40 Yokado 3,720 +40 9,850	Allied Tech	FAZ Aktien (81/12/65) 888,51 874,96 874,96 874,96 (17/4) 585,92 (22/7) STANDAR AND PROCES  FAZ Aktien (81/12/65) 1982,4 : 2085,8 285,8 285,7 2278,8 (17/4) 585,92 (22/7)  STANDAR AND PROCES  1888 Since Despitation  Hong Report
Petroles Fra	Pakhoed	et	4.2 2.84 +0.64 Kirl - 4.25 -0.06 Kot	10	CNA Gallo	Sapt Sapt Sapt Sapt Sapt Sapt Sapt Sapt
Redouts	torento	81,8 -0.8 Brambles Inds. 49,6 -0.1 Bridge Oil	6.3 +0.1 16.56 0.73   -0.65   Kul 7.82   -0.02   Kur 6.7   +0.1   Kyc	matsu	Gold Fields 8.A. 61 +1 Highwaip Stael 6.1 -8.35 Maleor 14.5 -0.85	Companies 232.31 232.07
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NOTES — Prices on this page exchanges and are test traded   rd Ex dividend, xc Ex scrip issue, in Kroner.	ere as quoted on the prices. \$ Dealings, xr Ex rights, xe Ex	a Individual Consolidated P suspended. Costain Aust ail. Price Eders IXI Energ Res	2.4 +0.65 M/s - 4.46 +0.65 M/s - 1.52 +0.82 M/s	+10   +10	SA Brews 15.4 + 0.4 Smith (CG) 29.5 + 0.25 Tongaat Huletta 7.60	Leng Sev Bond Yield 7.31 7.13 7.34 18.73 SINGAPORE Straits Times (58/12/66) 817.55 826.65 827.51 834.21 855.76 (1/8) 655.24 (25/4) 827.5.5 ALL COMMON MISS AND FILLS SOUTH AFRICA
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Continued from Page 43		(Hosk)  13 1275 33%, 32%, 33%, +1%, 12 92 20 19%, 20 + 1%, 1425 6%, 5%, 6%, +1%, 22 15 17 16%, 16%, -3%	Sovran 1.38 10 686 Specdys 23 127 Spctran 352 SpacCti .07 19 129 Spire 25 5 Sus73cr 244 65	17 184 17 + 14 US	And 9274.18 91. 94.18 4 1.	##75E-Consolidated 1589 Actives  Stocks 3.00p.m. Change Stocks 3.00p.m. Change Price or Day  1
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Nuactrix 2057 94 9 99, Nuactrix 126, 128, 128, 128, 128, 128, 128, 128, 128	5 - 16 SVEARET - 100 SVEARET - 100 SVEARET - 100 SVEARET - 15 STREET - 100 STREET - 14 STREET - 15 STREET - 15 STREET - 15 STREET - 10 STR	1186 94 9 87 1 1 1 3 2 1 5 1 3 2 1 1 4 1 3 2 1 5 1 3 2 1 1 4 1 3 4 1 4 1 4 1 4 1 4 1 4 1 4 1 4	TermDa 2072 TherPr 357 Thermd 349 ThroNa 76, 12 397	384 37 384 724 Wash 38 38 29 1 1 Wash 10 95 95 1 1 23 222 225 1 7 Wash 27 24 24 1 4 Wash 215 225 215 1 9 Wash 215 225 215 1 9 Wash 344 34 344 1 4 Wash 35 3 35 1 8 Wash 3-16 4 3 36	A 10 127 1815 18 18 18 1 14 16 17 18 18 18 1 14 18 18 1 14 18 18 18 18 18 18 18 18 18 18 18 18 18	1 8 1
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AX .016 55 64 64 65 69 69 69 69 69 69 69 69 69 69 69 69 69	3 + 4 SiliconS 2 - 9 SiliconS 3 + 15 SiliconS 5 + 35 SiliconS 5 + 35 SiliconS 6 + 35 SiliconS 6 + 14 Siziars 2 - 12 Stopper .08 5 + 1-18 SmithL	27 784 255 25 255 + 7 22 7 784 255 25 25 1 5 2 7 7 1 2 11 1314 13 13 13 - 5 13 13 13 13 13 13 13 13 13 13 13 13 13	TriadSy 64 53 Trus.lo 48 18 7 20Ctiles 25 1931 Tysons .04 23 2459	22½ 2½ 2½ 2¼ White 15½ 14% 15½ 14% 15½ 14% 15½ 14% 15½ 14% 15½ 14% 15½ 15½ 15½ 15½ 15½ 15½ 15½ 15½ 15½ 15½	ar 15a 24 2 7 7 7 4	101 1389 2394 3071 4390 5445 6479 7020 8115 9247 9879 10796 12144 13234 14261 14953 16113 17369 18061 18928 221 1510 2545 3132 4572 5668 6525 7144 8184 9284 9912 11227 12220 13264 14430 15170 16212 17388 18075 18934 279 1604 2549 3334 4731 5709 6568 7365 8453 9325 9967 11346 12670 13454 14441 15221 16496 17546 18180 18964 534 1741 2713 3631 4738 5813 6672 7539 8491 9334 9995 11473 12681 13504 14468 15455 16508 17563 18191 19058 570 2107 2742 3859 4826 5861 6689 7784 8394 9340 10253 11686 12726 13755 14483 15562 16551 17623 18308 19085 794 2202 2750 3922 4853 5929 6705 7869 8753 9543 10282 11786 12826 13763 14678 15591 16559 17675 18352 19320 847 2218 2837 4034 4995 6094 6798 7921 8778 9570 10332 11887 12863 13831 14730 15624 16666 17678 18451 19471 875 2238 2873 4094 5187 6102 6849 8019 8893 9669 10438 11976 12884 13834 14819 15839 16826 17678 18552 19623 876 2279 2968 4112 5353 6247 6983 8036 9232 9752 10472 11998 13050 14086 14853 15951 16835 17947 18749 19912 1169 2362 3033 4311 5374 6361 6988 8063 9244 9877 10661 12045 13224 14260 14856 16059 17162 17972 18753 19990
Agent   108   108   109   10	+ 14 Siziers 2 - 12 Skipper 08 4 + 1-16 SmithL	12 St, St, St,	USLIC .80 9 52	JU(Wysn	Man. 80 161 181 <sub>4</sub> 173 <sub>4</sub> 181 <sub>4</sub> XYZ sc 381 2 1-16 1 15-16 2 1 1-16	On the 21st October, 1986, the said redemption price will become due and payable upon each Note to be redeemed, together with accrued interest from 20th February, 1986 to 21st October, 1986 amounting to US \$422.59 per US \$5,000 Note. On and after that date, interest on the said drawn Notes will seems to accrue. Payment of the Notes to be redeemed will be made on or after 21st October, 1986 upon presentation and
	+ 12 Society 1.92	EPR T   %	Unifis 12 349 Unifis 1.74 13 43 Unificate 16 15	371, 351, 371, +11, Xide 36 351, 351, - 1, Yion	7	surrender of the said Notes, with all coupons appertaining thereto, at the onice of any of the raying Agents mentioned thereon. After 21st  October, 1986 US \$10,000,000 principal amount of Notes will remain outstanding.
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# **NEW YORK STOCK EXCHANGE COMPOSIT**

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Financial Times Thursday September 18 1986 Ø

# LAMEY COMPOSITE CLOSING PRICES

NYSE COMPOSITE CLOSING PRICES	AMEX COMPOSITE CLOSING PRICES
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HAND DELIVERY SERVICE  BONN/COLOGNE/DUSSELDORF/ESCHBORN/ FRANKFURT/HAMBURG/HESSISCHE BERGSTRASSE/ HOECHST/MUNICH/OFFENBACH/RUESSELSHEIM/ STUTTGART/VIENNA  Your subscription copy of the FINANCIAL TIMES can be hand-delivered to your office in the centre of any of the cities listed above. For details contact: Bernd Wokurka, Tel: 069 75980. Teleo: 416193.	Carbyse2_s2

Siemens down DM 16.20 at DM 677.50

and AEG DM 6 at DM 309. Computer

Engineering group Brown Boveri, which announced it was selling a major-ity stake in its Swiss subsidiary, shed

Prices of public authority bonds ended

the session around 30 basis points lower with the average yield up 2 basis points

In its daily market-balancing opera-tion the Bundesbank bought DM 44.7m

of domestic paper after buying DM 64.8m worth on Tuesday.

Brussels turned lower, wiping out

most of Tuesday's gains as some profit-

taking and unease about other markets

Petrofina, the leading industrial group, lost all its gains of the previous session to close BFr 170 down at BFr 9,200:

Elsewhere, Gevaert closed BFr 150 lower at BFr 6,070, Sofina BFr 300 to BFr 11,400 and Societé Générale de Bel-

gique BFr 70 to BFr 3,060. However,

Group Bruxelles Lambert added BFr 335

Amsterdam saw early firmness wane as news of the mixed to lower perfor-

mances on other bourses filtered

Tuesday's gains in banks with Amro 80 cents lower at FI 97 and NMB off FI 1 to

Fl 215.50. However, ABN managed one of the few gains of the session, rising Fl 2 to Fl 551.50.

Internationals partly recovered with Unilever up FI 2.50 at FI 480.50 and Royal Dutch 70 cents firmer at FI 49.60.

Zurich followed the lower trend as in-

vestors looked for signals from abroad.

Swissair was unchanged at SFr 1,370, Bank Leu added BFr 25 to BFr 3,750,

and insurer Swiss Re added BFr 100 to BFr 1,700. Losses included Nestlé, down SFr 150 to SFr 8,500, and Ciba-Geigy,

The subdued tone trimmed some of

group Nixdorf fell DM 7 to DM 675.

DM 12.50 to DM 302.

to 5.77 per cent.

to BFr 3,460.

through to the market.

# FINANCIAL TIMES WORLD STOCK MARKETS

#### WALL STREET

# **Cautious** recovery falters

THE TENTATIVE rally of Wall Street share prices, led earlier in the week by blue chips, broadened yesterday in moderate trading, writes Roderick Oram in

Some selling pressure was removed by a firmer tone in the bond market where prices edged up following lighter-than-expected Treasury refunding

Despite a dip in share prices at the opening, the Dow Jones industrial average was soon showing a gain on the previous close. Advancing stocks outnum-bered declining for the first time this

At the close the Dow Jones industrial

average was 9.14 down at 1,769.40. But trading was cautious falling far short of a dynamic recovery from last week's heavy losses. Investors are keeping a wary eye on tomorrow's quarterly phenomenon the so-called "triple witching hour," this simultaneous expiry of stock index futures, options and stock futures has caused, in the past, considerable price swings on heavy volume as in-

vestors square their positions.

After taking the lead earlier in the

STOCK MARKET INDICES

DJ Industrials 1,786.84\* 1,778.54 1,298.16

1,275.2 1,262.2

739.25

1,596.7

790.39

868.34

9.99

317.9

17,336.62 17,463.19 12,591.5

1,214.2 1,222.1

238.35 238.02

3,928,88 3,950.58 2,456.39

2,172.9° 2,161.50 1,904 2,997.8° 2,996.90 2,651.6

L512.70° 1,510.14 129.29

143,80

660.51 675.82 519.74

1,992.40 2,035.00 1,534.0

1,921.99 1,927.97 1,569.40

757.86 766.20 399.85

288.10

292.50

373.91 376.97 364.18

Prev 1,942.0 1,369.0

2,482.56 2,512.80 1,374.21

556.9

342.8

Sep 17 393.35p

£929.00

£2,435.00

\$13.55

\$412.20

\$418.80

192.60 192.07

820.69 757.60

Year Ago

1,038.0 946.1

493.8

Prev 394.50p

£915.25

£2,412.50

Sep 17 Prev \$413.625 \$414.50

\$412.875 \$414.625

\$412.50 \$415.66

\$13.55

\$414.25

145.20

282 50

817.55

551.60

Sept 16

COMMODITIES

GOLD (per ounce)

336.10

Sep 17

195.34 216.59

377.00 217.80

143848 1444.68 1,009.24

199.93

645.83

153.16

181.36

1,296.00

628.98

690.25

316.4

1,000.8

Dai Yes

Lira

BFr

749.75\*

1,610,4

793,74

871.85

316,6

S&P Composite 233.48\* 231.72

Tokyo

New Stock Exchange Jan 4,1968-100

1400

1200

900

800

DJ Transport

ONDO

TOKYO

FT Ord

FT-SE 100

FT-A 500

Tokyo SE

AUSTRALIA

All Ord.

AUSTRIA

RELGIUM

CANADA

**Montre** Portfolic

DENMARK

FRANCE

CAC Gen

Ind. Tendance

WEST GERMANY

Commerzbank

FAZ-Aktien

HONG KONG

Hang Seng

Banca Comm

**HETHERLANDS** 

ANP-CBS Gen

ANP-CBS Ind

HORWAY

SINGAPORE

Straits Times

SOUTH AFRICA

JSE Golds JSE Industrials

Madrid SE

SWITZERLAND

Swiss Bank Ind

MS Capital Int'l

Silver (spot fixing)

Copper (cash)

Coffee (Sept)

London

Zürich

المنطقات المحاجب وواليان ويوالي

Paris (fixing)

Luxembourg

New York (Dec)

Oil (Brent blend)

SWEDEN

WORLD

SPAIN

ITALY

Metals & Mins

Credit Akties

Belgian SE

Toronto Metals & Minis

FT-A All-share

FT Gold mines

FT-A Long gift

- KEY MARKET MONITORS

week, blue chips lagged behind the mar-ket. IBM rose \$% to \$139%, USX gained \$% to \$20%, Sears Roebuck was up \$% at \$41 and American Express gained \$1/4 to \$58%. Losers among blue chips included GM, off \$% at \$69, and Exxon, down \$%

Strong interest in Honeywell was generated by an analyst's report that the computer group might soon announce plans for its break-up. Company officials were not immediately available for comment. Its share price rose \$3% to \$78%

on heavy trading.

Honeywell's poor performance in computers has often raised the prospect that it might concentrate on its other lines such as controls. It did announce early in the day, however, that it had finalised joint venture to sell computers from NEC of Japan in North America.

In contrast in the computer sector. Cray Research, the leading maker of supercomputers, put on \$3% to \$84% following an analyst's buy recommendation which put a price target of \$100 to \$120 on the stock.

On the takeover front, USG, a building products group, was said to be the next target of Wickes at around \$52 a share. The price rose \$2% to \$42%. USG said it was aware of the market activity but had yet to discover who was buying.

Lucky Stores, a retail chain, saw a \$2% rise in price to \$31% on suggestions that Mr Asher Edelman, a New York investor, had taken a large stake in the

Some of the sharpest recoveries came among Japanese stocks listed in New York which had been hard hit by record declines in Tokyo. Honda picked up \$4%

CURRENCES

2.0490

156.30

2.3125 1.412.5

42.40

1.3905 1.3870 2.0516

DITEREST RATES

US BONDS

991% 7.326

Dey's change

+0.25

+0.12

+0.08

+0.09

+0.81

Price Yield

98,375 8.248 98.375 8.248

89.5 9.159 89.25 9.188

96-15 96-17 95-27 95-23

94.86 94.88 94.84 94.86

93.28 93.22 93.21 93.21

114-07 114-15 113-21 114-05

n/a 94.30

10% Jan 1993 100,875 9,639 105,75 9,665

8% March 1996 101,375 8,533 101,375 8,533

9% March 2016 104.75 9.395 104.5 9.420

9% March 2016 98.25 9.763 96.125 9.777

FINANCIAL FUTURES

of Deposit (IMM)

Latest High

95%

Source: Harris Trust Savings Bank

154.98

148.48

139.72

178.31

Source: Merrill Lynch

SCBT South Central

Yield

7.53

7.668 94%

US DOLLAR

Sep 17 Previous

154.75

2.2900

1.400.5

(3-month offered rate)

(offered rate) 3-month USS

U\$3-month CDs U\$3-month T-bills

1993

7% 2016

1-10

AT & T

3% July 1990

8 April 1996

General Motors

Source: Salamon Brothers

US Treasury Bonds (CBT)

81/4 April 2016

Chicoro

CHICAGO

Sept

Sept

Sept

Sect

Sept

LONDON

8% 32nds of 100%

\$1m points of 100%

S1m points of 100%

\$1m points of 100%

£50,000 32nds of 100%

Three-month Eurodolles

6-month US\$

42.05

1900

1800

STERLING.

230.75

2,445 3,4125

2.085

91%

61/4 517/4 5.875 5.26

Yield

Day's

-0.02

-0.02

-0.01

-0,01

-0.05

Price Yield

91 6.567

Prev

9915 7.33

6.363 991/2 6.36

Yield

7.18

6.85

6.38

7.06 8.29

1.4755

2.9925

228.50

2,420

3,3800

2.066.5

62.05

4% 7%

to \$80%, Hitachi was up \$1% to \$61% and Matsushita rose \$4% to \$101%.

A big gainer on the American Stock Exchange was BAT, the UK-based to-bacco and consumer products group. It rose a further \$% yesterday to \$6% following strong gains earlier in the week

In the credit markets, prices rose moderatly following Tuesday's announcement of the Treasury end-of-quarter refunding. Future contracts showed some smaller gains than the cash market. Contrary to market expec-tations, it did not include seven-year

Also on the positive side were a decline in housing permits and an easier

Fed funds rate at 5% per cent. The benchmark 7.25 per cent Treasury bond due in 2018 gained 9/32 to 95% at which it yields 7.63 per cent. Treasury-bill yields were essentially unchanged with the three-month rate of 5.24 up one basis point, six-month down one basis point at 5.51 and the 12-month un-

changed at 5.68. Certificates of deposit ranged from unchanged at the shorter end around the 5.80 per cent level and up three basis points at the longer end to 5.79 per cent.

#### LONDON

# Undaunted by fears over rates

THE GROWING belief that international interest rates will not fall further failed to dampen London stocks yester-day and the the FT Ordinary index recovered 13 points of Tuesday's drop to close at 1,275.2. The broader based index, the FT-SE 100, added 13.7 to 1,610.

West German resistance to US pressure for interest rate cuts was cited as a cause for concern, but buying stagnated only briefly at which stage institutional

support became evident.

NatWest firmed 2p to 534p in response
to its US share offering while retailer Woolworth jumped 10p to 675p on its doubled first-half profits. Also reporting higher profits was United Biscuits, down 1p to 238p.

Gilts were unsettled by the rate pros-

pects and the fall of sterling against the D-Mark. Longs regained some of their losses while shorts proved relatively res-

Chief price changes, Page 41; Details, Page 40; Share information service, Pages 39–40

#### **AUSTRALIA**

BANKS suffered the full force of selling in Sydney as the Ali Ordinaries index retreated 6.9 to 1.214.2. National was worst hit with a 14-cent

plunge to A\$5.36, Westpac lost 13 cents to A\$4.55 and ANZ was 8 cents off at ASS OR. Turnover of 121m shares was bloated

by late block trading in Email, which jumped 40 cents to A\$2.70 after Feltex New Zealand announced a one-for-one share swap full takeover bid. Feltex was unchanged at A\$2.70. Hooker, which sold its 15 per cent holding in Email at A\$2.75 a share for a

A\$19m profit, gained 7 cents to A\$2.22. Mines were further weakened by easier bullion prices. Renison was 20 cents cheaper at AS7 and Poseidon retreated 10 cents to A\$3.50.

#### **HONG KONG**

A RELUCTANCE to take positions ahead of the mid-term report by the Fi-nancial Secretary held Hong Kong in check and the Hang Seng index dipped

Jardine Matheson suffered one of the largest falls with a 20-cent decline to HK\$15.90, Swire Pacific A was down 20 cents at HK\$13.60 and China Light closed 10 cents lower at HK\$17.10.

#### SOUTH AFRICA

GOLDS continued to hit fresh peaks in Johannesburg as the All-Gold index surged to 1,960, a gain of 18 points.

Randfontein was one of the stars of the session with its R11.50 jump to R426.50 and Loraine firmed Ri to R27.50. Kinross shed R1.50, however, after the fire disaster at its mine on Tues-

Industrials were also strong with Barlow Rand up 15 cents to R20.60 while SA Breweries was 40 cents up at R15.40.

#### SINGAPORE

PROFIT-TAKING and some unease over the Tokyo market unsettled Singapore and trimmed 3.14 off the Straits Times industrial index to 817,55. Turnover dipped to 12.3m shares from Tuesday's 15.3m

Pegi, with 528,000 shares traded, was the most active and gained % cent to 57% cents while Amalgamated Steel Mills added 1 cent to S\$1.15 on 492.000 shares.

MOST sectors in Toronto resisted the temptation to follow Wall Street's example gains but turned lower instead.

Dome Petroleum was an early feature details of its recapitalisation plans. Industrials were actively lower as Sears Canada dropped C\$1/2 to C\$11% and Roy-

#### TOKYO

# Sharp early rally proves unsustainable

A SHARP morning rally was reversed toward the close in Tokyo yesterday as investor relief over the gain on Wall Street turned into concern about the market outlook, writes Shigeo Nishiwa-

Despite the general decline, large-capital stocks, budget-affected issues and high-technology stocks firmed on buying by securities house dealers.

The 225-issue Nikkei average began to slide after scoring a 156-point rise and closed 126.57 down at 17,336.62, its fourth consecutive daily decline. Turnover remained low at 596m shares compared with Tuesday's 507m. Losses outpaced gains 455 to 361 with 134 issues

Share prices opened firmer almost across the board as investors were encouraged by the rise - albeit small - on Wall Street. Dealers of leading brokerage houses bought actively to sustain the more positive market sentiment. Financial institutions and some individual investors followed their example, restoring some life to the market.

However, the optimism proved shortlived as investors became uneasy about Wall Street's weak advance. But, as the low trading volume indicates, there was no large-scale sell-off. Instead, share prices tumbled on light selling in the absence of buying.

Market sources said investors were also discouraged by buy orders of only 8m shares from non-residents in the morning, against sell orders for 42m shares. Ishikawajima-Harima Heavy Indus-

tries topped the active list with 87.85m. shares traded. It advanced Y23 to Y488 on buying by leading securities houses. Tokyo Gas jumped Y42 to Y942 on trading of 64.16m shares and Nippon Kokan, with 46.90m shares traded, added Y8 to

Among budget-affected stocks, Kuma-gai Gumi added Y20 to Y1,040 while Taisei and Hazama-Gumi gained Y5 to Y870 and Y20 to Y620, respectively. Among high-tech issues, NEC finished Y50 up at Y1,930, although this was substantially lower than the day's high of Y1,990. Electricals also gained, with Mitsuhishi Electric rising Y7 to Y487 and Hitachi Y23 to

In contrast, non-life insurances, trading houses and railways accelerated their downturn towards the close. Tokio

ARD Securities Corporation

maus H. Aufhäuser

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Bank of Tokyo (Deutschi

Bankers Trust GmbH

Banque Bruxelles Lam

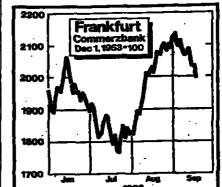
Banque Nationale de Paris

Barcleys de Zoete Wedd Limiter

fache Hypothekan- und

Marine and Fire Insurance lost Y40 to Y1,840, Mitsubishi Y50 to Y1,260 and Tokyu Y70 to Y1.230.

Bond prices staged a technical rally. The yield on the benchmark 6.2 per cent government bond due in July 1995 rose temporarily to 4.850 per cent from Tues-day's 4.800 per cent, but fell to 4.745 per cent. Neither institutional investors nor dealers will participate actively in the market until they see revised US gross national product figures for the second quarter to be released on Thursday.



#### **EUROPE**

# **Dulled by** shadows of uncertainty

THE UNCERTAINTY over Wall Street and Tokyo continued to cast a shadow across Europe yesterday where most of

the major bourses closed lower.

Frankfurt saw some of the biggest losses of the day as domestic factors also took their toll on share prices. The Commerzbank index shed 42.6 to fall back below the 2,000 level at 1,992.4 in the face of the possible higher interest rates and inflation.

The financial worries left banks lower, including Commerzbank which lost DM 5.50 to DM 336.50 despite hopes of record profits. Deutsche Bank closed DM 10.50 down at DM 769.50 and Dresdner Bank DM 8.20 to DM 418.

Among the hardest-hit shares were car makers, which are also being depressed by the prospect of a rights issue on Friday from VW, down DM 14.90 to DM 508. The group also announced it would pay a total DM 91m bonus to its workers. Elsewhere, Porsche fell DM 50 to DM 1,100, Daimler DM 38 to DM 1,225 and BMW DM 14 to DM 598. Electricals also saw hefty losses with

Paris advanced although caution kept prices off the day's highs.

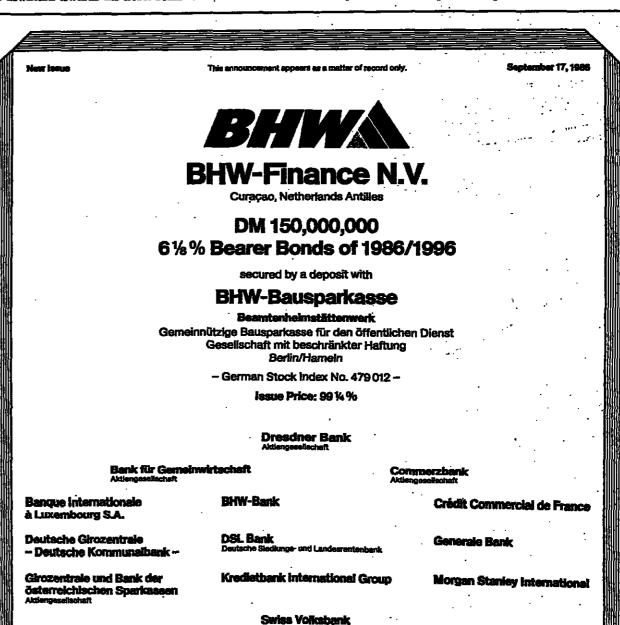
Car-makers and related issues saw fair gains including Peugeot which added FFr 35 to FFr 1,100 and Michelin which was up FFr 30 to FFr 3,060.
Elsewhere, Carrefour gained FFr 80 to
FFr 3,330 but Moët-Hennessy shed FFr
83 to FFr 2,068 despite higher first-half

down SFr 30 at SFr 3,500.

Milan was hit by widespread profit-taking which wiped out many of Tuesday's gains.

Insurer Generali fell L1,600 to L183.475 and Olivetti L500 to L17,450 while against the trend were Fiat, L320 higher at L15,020, and Montedison up L5 to L3,260.

Stockholm closed lower on some profit-taking while Madrid was mixed after Tuesday's rally. Oslo fell as lower oil prices dampened enthusiasm.



Berliner Handels- und Frankfurter Bank

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# CANADA

as it dipped 3 cents to C\$1.02 ahead of

al Trustco A slipped C\$\% to C\$30\%. Banks proved the weakest spot in Montreal although utilities continued to lose ground.